

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2015

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **000-55151**

SPINDLE, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

20-8241820
(I.R.S. Employer Identification No.)

8700 East Vista Bonita, Suite 260
Scottsdale, AZ
(Address of principal executive offices)

85255
(Zip Code)

(800) 560-9198
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of May 11, 2015: 42,718,773 shares of Common Stock.

SPINDLE, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and pursuant to the rules and regulations of the Securities and Exchange Commission ("Commission"). While these statements reflect all normal recurring adjustments which are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the financial statements and footnotes thereto, which are included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 as filed with the Commission on March 30, 2015.

SPINDLE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>MARCH 31,</u> <u>2015</u>	<u>DECEMBER 31,</u> <u>2014</u>
ASSETS		
Current assets:		
Cash	\$ 127,637	\$ 169,807
Restricted cash	20,000	20,000
Accounts receivable, net of allowance of \$11,250	68,313	82,393
Prepaid expenses and deposits	138,135	87,428
Inventory	106,246	100,647
Total current assets	<u>460,331</u>	<u>460,275</u>
Fixed assets , net of accumulated depreciation of \$11,007 and \$10,750, respectively	20,839	22,145
Other assets:		
License agreements, net of accumulated amortization of \$0	30,000	-
Domain names, net of accumulated amortization of \$14,556 and \$11,887 respectively	70,444	73,113
Capitalized software costs, net of accumulated amortization of \$689,169 and \$582,017, respectively	1,602,446	1,600,623
Residual contract revenue, net of accumulated amortization of \$184,154 and \$147,324, respectively	405,140	441,970
Deposits	2,882	3,382
Goodwill, net of accumulated impairment losses of \$669,993	5,306,205	5,306,205
Total other assets	<u>7,417,117</u>	<u>7,425,293</u>
TOTAL ASSETS	<u>\$ 7,898,287</u>	<u>\$ 7,907,713</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 629,517	\$ 578,610
Advances	215,000	215,000
Deferred revenue	3,291	-
Accrued liabilities – related party	985,815	681,655
Notes payable – related party, net of discount of \$27 and \$55, respectively	172,135	172,108
Total current liabilities	<u>2,005,758</u>	<u>1,647,373</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 50,000,000 shares authorized, no shares issued and outstanding as of March 31, 2015 and December 31, 2014, respectively	-	-
Common stock, \$0.001 par value, 300,000,000 shares authorized, 42,268,773 and 42,068,773 shares issued and outstanding as of March 31, 2015 and December 31, 2014, respectively	42,269	42,069
Common stock authorized and unissued, 472,853 and 107,853 shares as of March 31, 2015 and December 31, 2014, respectively	473	108
Additional paid-in capital	22,171,722	21,470,580
Additional paid-in capital - stock warrants	78,000	-
Accumulated deficit	(16,399,935)	(15,252,417)
Total stockholders' equity	<u>5,892,529</u>	<u>6,260,340</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 7,898,287</u>	<u>\$ 7,907,713</u>

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

SPINDLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	THE THREE MONTHS ENDED	
	MARCH 31,	
	2015	2014
Revenue:		
Sales income	\$ 165,047	\$ 297,925
Cost of sales	47,482	96,068
Gross profit	117,565	201,857
Expenses:		
Depreciation and amortization	147,959	139,342
Promotional and marketing	26,505	11,968
Consulting	84,293	229,500
Salaries and wages (including share-based compensation)	761,430	446,564
Directors fees	45,000	40,000
Professional fees	150,718	176,490
General and administrative	48,588	183,362
Total operating expenses	1,264,493	1,227,226
Net operating loss	(1,146,928)	(1,025,369)
Other expense:		
Interest expense	(561)	-
Interest expense – related party	(28)	(3,024)
Total other expense	(589)	(3,024)
Loss before provision for income taxes	(1,147,517)	(1,028,393)
Provision for income taxes	-	-
Net loss	\$ (1,147,517)	\$ (1,028,393)
Weighted average number of common shares outstanding – basic and diluted	42,173,217	37,310,852
Net (loss) per share – basic and fully diluted	\$ (0.03)	\$ (0.03)

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

SPINDLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	THE THREE MONTHS ENDED	
	MARCH 31,	
	2015	2014
Operating activities		
Net loss	\$ (1,147,517)	\$ (1,028,393)
Adjustments to reconcile net loss to net cash used in operating activities:		
Shares issued for services	75,646	175,000
Shares issued for officer compensation	7,250	-
Depreciation and amortization	147,959	139,342
Amortization of debt discount – related party	28	2,385
Share based compensation expense	478,957	6,636
Increase in allowance for doubtful accounts	-	32,028
Changes in operating assets and liabilities:		
Decrease in accounts receivable	14,080	39,989
Decrease (increase) in prepaid expenses	17,147	(17,023)
Increase in inventory	(5,600)	(44,095)
Decrease (increase) in deposits and other assets	500	(13,860)
Increase (decrease) in accounts payable and accrued expenses	100,905	(102,656)
Increase in deferred revenue	3,291	-
Increase in expenses – related party	49,160	40,000
Decrease in accrued interest – related party	-	(5,019)
Net cash used in operating activities	<u>(258,194)</u>	<u>(775,666)</u>
Investing activities		
Purchase of license agreement	(30,000)	-
Acquisition of intellectual property	-	(291,071)
Purchase of domain name and trademark	-	(10,000)
Additions to capitalized software development	(108,976)	(380,884)
Net cash used in investing activities	<u>(138,976)</u>	<u>(681,955)</u>
Financing activities		
Net proceeds for advances	255,000	-
Net proceeds (payments) for notes payable – related party	-	(24,342)
Proceeds from the sale of common stock	100,000	1,552,500
Net cash provided by financing activities	<u>355,000</u>	<u>1,528,158</u>
Net (decrease) increase in cash	(42,170)	70,537
Cash – beginning	169,807	700,323
Cash – ending	<u>\$ 127,637</u>	<u>\$ 770,860</u>
Supplemental disclosures		
Interest Paid	<u>\$ 561</u>	<u>\$ -</u>
Non-cash transactions		
Shares issued for services	\$ 75,646	\$ 175,000
Shares issued for officer compensation	\$ 7,250	\$ -
Shares issued for prepaid expenses	\$ 67,854	\$ -
Shares issued for accounts payable	\$ 50,000	\$ 449,476
Shares issued for acquisitions	\$ -	\$ 3,004,861
Options issued for share based compensation expense	\$ 460,557	\$ 6,636
Shares issued for share based compensation expense	<u>\$ 18,400</u>	<u>\$ -</u>

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

SPINDLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION

The interim condensed consolidated financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "Commission"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these interim condensed consolidated financial statements be read in conjunction with the financial statements of the Company for the year ended December 31, 2014 and notes thereto included in the Company's Annual Report on Form 10-K. The Company follows the same accounting policies in the preparation of interim reports.

Results of operations for the interim periods are not indicative of annual results.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

For purpose of the statements of cash flows, the Company considers cash and cash equivalents to include all stable, highly liquid investments with maturities of three months or less.

Restricted cash

The Company maintains a restricted cash balance totaling \$20,000 as part of its operating requirements in a non-interest-bearing account that currently does not exceed federally insured limits.

Concentration of credit risk

The Company primarily transacts its business with one financial institution. The amount on deposit in that one institution may from time to time exceed the federally-insured limit.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes

The Company accounts for its income taxes under the provisions of ASC Topic 740, "Income Taxes." The method of accounting for income taxes under ASC 740 is an asset and liability method. The asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of other assets and liabilities.

Revenue recognition

Revenue is derived on a per message/notification basis through the Company's patented technologies and a modular, adaptable platform designed to create multi-channel messaging gateways for all types of connected devices. The Company also earns revenue for services, such as programming, licensure on Software as a Service ("SaaS") basis, and on a performance basis, such as when a client acquires a new customer through our platform. Revenue is recognized in accordance with Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," as revised by SAB No. 104. As such, the Company recognizes revenue when persuasive evidence of an arrangement exists, title transfer has occurred, the price is fixed or readily determinable, and collectability is probable. Sales are recorded net of sales discounts.

SPINDLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounts receivable

Accounts receivable is reported at the customers' outstanding balances, less any allowance for doubtful accounts. Interest is not accrued on overdue accounts receivable.

Allowance for doubtful accounts

An allowance for doubtful accounts on accounts receivable is charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write-off percentages and information collected from individual customers. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired.

Inventory

Inventories consist of merchandise held for sale in the ordinary course of business, including cost of freight and other miscellaneous acquisition costs, and are stated at the lower of cost or market. The Company records a write-down for inventories which have become obsolete or are in excess of anticipated demand or net realizable value. The Company performs a detailed review of inventory each period that considers multiple factors including demand forecasts, market conditions, product life cycle status, product development plans and current sales levels. If future demand or market conditions for the Company's products are less favorable than forecasted or if unforeseen changes negatively affect the utility of the Company's inventory, it may be required to record additional write-downs, which would negatively affect gross margins in the period when the write-downs are recorded. If actual market conditions are more favorable, the Company may have higher gross margins when products incorporating inventory that were previously written down are sold.

Property and equipment

Property and equipment are stated at cost. Major renewals and improvements are charged to the asset accounts while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed. At the time property and equipment are retired or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to income.

Depreciation is computed on the straight-line and accelerated methods for financial reporting and income tax reporting purposes based upon the following estimated useful lives:

Computer software	3 years
Computer hardware	5 years
Office furniture	7 years

Long-lived assets

The Company accounts for its long-lived assets in accordance with Accounting Standards Codification ("ASC") Topic 360-10-05, "Accounting for the Impairment or Disposal of Long-Lived Assets." ASC Topic 360-10-05 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value or disposable value.

Goodwill

The Company accounts for goodwill in accordance with ASC Topic 805-30-25, "Accounting for Business Combinations" and ASC Topic 350-20-35, "Accounting for Goodwill - Subsequent Measurement".

SPINDLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ASC Topic 805-30 requires that the acquirer recognize goodwill as of the acquisition date as the excess of the fair value of the consideration transferred over the fair value of the net acquisition-date amounts of the identifiable assets and liabilities assumed.

ASC Topic 350-20-35 requires that goodwill acquired in a purchase and determined to have an indefinite useful life is not amortized, but instead tested for impairment annually or more frequently when events or circumstances indicate that the carrying value of a reporting unit more likely than not exceeds its fair value. The Company's annual goodwill impairment testing date is December 31 of each year. The Company first assesses qualitative factors to determine whether it's necessary to perform the two-step goodwill impairment test. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. If the qualitative assessment results in an indication that it's more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative assessment must be performed. Management has determined that the Company has one reporting unit for purposes of testing goodwill.

The quantitative analysis involves estimating the fair value of its reporting unit utilizing a combination of valuation methods including market capitalization, the income approach and cash flows. Income and cash flow forecasts were used in the evaluation of goodwill based on management's estimate of future performance. If goodwill is determined to be impaired as a result of this analysis, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value. The Company recorded an impairment to its goodwill for the year ended December 31, 2014 as further discussed in Note 10.

Capitalized software development costs

The Company capitalizes internal software development costs subsequent to establishing technological feasibility of a software application. Capitalized software development costs represent the costs associated with the internal development of the Company's software applications. Amortization of such costs is recorded on a software application-by-application basis, based on the greater of the proportion of current year sales to the total of current and estimated future sales for the applications or the straight-line method over the remaining estimated useful life of the software application. The Company continually evaluates the recoverability of capitalized software costs and will charge to operations amounts that are deemed unrecoverable for projects it abandons.

Stock-based compensation

The Company accounts for stock-based payments to employees in accordance with ASC 718, "Stock Compensation" ("ASC 718"). Stock-based payments to employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the consolidated statement of operations based on their fair values at the date of grant.

The Company accounts for stock-based payments to non-employees in accordance with ASC 505-50, "Equity-Based Payments to Non-Employees." Stock-based payments to non-employees include grants of stock, grants of stock options and issuances of warrants that are recognized in the consolidated statement of operations based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date. The Company calculates the fair value of option grants and warrant issuances utilizing the Binomial pricing model. The amount of stock-based compensation recognized during a period is based on the value of the portion of the awards that are ultimately expected to vest. ASC 718 requires forfeitures to be estimated at the time stock options are granted and warrants are issued to employees and non-employees, and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term "forfeitures" is distinct from "cancellations" or "expirations" and represents only the unvested portion of the surrendered stock option or warrant.

SPINDLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Company estimates forfeiture rates for all unvested awards when calculating the expense for the period. In estimating the forfeiture rate, the Company monitors both stock option and warrant exercises as well as employee termination patterns. The resulting stock-based compensation expense for both employee and non-employee awards is generally recognized as compensation under ASC Topic 505-50, In accordance with ASC 505-50, the cost of stock-based compensation is measured at the grant date based on the value of the award and is recognized over the vesting period. The value of the stock-based award is determined using the Binomial or Black-Scholes option-pricing models, whereby compensation cost is the excess of the fair value of the award as determined by the pricing model at the grant date or other measurement date over the amount that must be paid to acquire the stock.

Loss per share

The Company reports earnings (loss) per share in accordance with ASC Topic 260-10, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted earnings (loss) per share has not been presented since the effect of the assumed conversion of warrants and debt to purchase common shares would have an anti-dilutive effect. Potential common shares as of March 31, 2015 that have been excluded from the computation of diluted net loss per share amounted to 3,207,500 shares and include 450,000 warrants and 2,757,500 options. Of the 2,757,500 potential common shares that could be issued upon the exercise of the options at March 31, 2015, 875,833 had not vested.

Recent accounting pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change.

NOTE 3 - GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has incurred a net loss of (\$1,147,517) and (\$1,028,393) for the three months ended March 31, 2015 and 2014, respectively, and has an accumulated deficit of (\$16,399,935).

In order to continue as a going concern, the Company will need, among other things, additional capital resources. The Company is significantly dependent upon its ability, and will continue to attempt, to secure equity and/or additional debt financing. The Company has recently issued debt securities and may conduct an offering of its equity securities to raise proceeds to finance its plan of operation. There are no assurances that the Company will be successful and without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might arise from this uncertainty.

SPINDLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	<u>MARCH 31,</u> <u>2015</u>	<u>DECEMBER 31,</u> <u>2014</u>
Due from customers	\$ 79,563	\$ 93,643
Less allowance for bad debts	(11,250)	(11,250)
Total accounts receivable, net	<u>\$ 68,313</u>	<u>\$ 82,393</u>

NOTE 5 - PREPAID EXPENSES AND DEPOSITS

On January 23, 2013, the Company entered into a public relations consulting agreement for a term of two years. In accordance with the terms of the agreement, the Company issued 500,000 fully vested shares of common stock on the date of agreement and an additional 340,000 shares during the remainder of 2013. The fair value of the complete grant totaled \$420,000 and the first phase of the agreement has been completed. The Company renewed the agreements in both 2014 and 2015, and as of March 31, 2015, has authorized the issuance of 250,000 shares for the annual agreement period at a fair value of \$132,500. As a result, \$64,646 was recorded to consulting expense related to the service for the three months ended March 31, 2015. The remaining prepaid balance at March 31, 2015 totaled \$104,896.

NOTE 6 - FIXED ASSETS

Fixed assets consisted of the following at:

	<u>MARCH 31,</u> <u>2015</u>	<u>DECEMBER 31,</u> <u>2014</u>
Office furniture & equipment	\$ 31,846	\$ 32,895
Less: accumulated depreciation	(11,007)	(10,750)
Total fixed assets, net	<u>\$ 20,839</u>	<u>\$ 22,145</u>

NOTE 7 - CAPITALIZED SOFTWARE COSTS AND INTELLECTUAL PROPERTY

Capitalized software costs and license agreements consisted of the following at:

	<u>MARCH 31,</u> <u>2015</u>	<u>DECEMBER 31,</u> <u>2014</u>
Capitalized software costs	\$ 2,291,615	\$ 2,182,640
Less: accumulated amortization	(689,169)	(582,017)
Net capitalized software costs	1,602,446	1,600,623
License agreements	30,000	69,808
Accumulated impairment loss	-	(69,808)
Less: accumulated depreciation	-	-
Net licenses	30,000	-
Total intellectual property, net	<u>\$ 1,632,446</u>	<u>\$ 1,600,623</u>

SPINDLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 8 - DOMAIN NAMES

Domain names consisted of the following at:

	<u>MARCH 31,</u> <u>2015</u>	<u>DECEMBER 31,</u> <u>2014</u>
Domain names	\$ 85,000	\$ 85,000
Less: accumulated amortization	(14,556)	(11,887)
Total domain names, net	<u>\$ 70,444</u>	<u>\$ 73,113</u>

NOTE 9 - RESIDUAL CONTRACTS

On December 31, 2012, the Company acquired the residual income stream of Parallel Solutions Inc. (PSI). This revenue is perpetual, provided that the vendor's contract with PSI is not terminated. The calculations for the value associated with anticipated new income resulting from the acquired PSI residual contracts was determined based on PSI's residual revenue stream for the period from November of 2011 to October 2012 of \$535,722 and historical PSI's termination rates of nil. The Company used the lowest industry standard multiple of (1.1) to determine the fair value of the contractual revenue stream as of the date of acquisition which was estimated to be \$589,294. Management has reviewed the carrying amount of the asset and determined as a result of diversification in the Company's business model due to its acquisitions, that the previously estimated indefinite life be revised to reflect the Company's future business development goals. The Company estimated a finite remaining useful life of forty-eight months and has recorded quarterly amortization expense of \$36,831 for each of the three months ended March 31, 2015 and 2014.

	<u>MARCH 31,</u> <u>2015</u>	<u>DECEMBER 31,</u> <u>2014</u>
Residual contracts	\$ 589,294	\$ 589,294
Less: accumulated amortization	(184,154)	(147,324)
Total residual contracts, net	<u>\$ 405,140</u>	<u>\$ 441,970</u>

NOTE 10 - GOODWILL

	<u>MARCH 31,</u> <u>2015</u>	<u>DECEMBER 31,</u> <u>2014</u>
Goodwill	\$ 5,976,198	\$ 5,976,198
Less: accumulated impairment loss	(669,993)	(669,993)
Total goodwill, net	<u>\$ 5,306,205</u>	<u>\$ 5,306,205</u>

In connection with the acquisition on March 20, 2013, the Company assumed certain liabilities and acquired substantially all of the assets of MeNetwork. The Company recorded goodwill related to this acquisition of \$2,679,970. During its annual evaluation of goodwill, the Company determined that the carrying amount of goodwill related to MeNetwork, exceeded its fair value. As a result the Company recorded an impairment loss, to other expense, of \$669,993 during the year ended December 31, 2014. This charge reflects the impact of partially sun setting assets acquired from MeNetwork in conjunction with the Company's integration of Yowza!!

In connection with the acquisition (as further described in Note 14) on January 3, 2014, the Company assumed certain liabilities and acquired substantially all of the assets of Yowza!!. The Company recorded goodwill related to this acquisition of \$3,291,932. During its annual evaluation of goodwill, the Company determined that the fair value of goodwill exceeded its carrying amount and as a result no impairment charge was recorded.

SPINDLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 11 - NOTES PAYABLE - RELATED PARTY

On December 15, 2011, the Company issued a Promissory Note ("Note") to a director of the Company formalizing various advances previously received from the director in the amount of \$51,300 and allowing for future advances of up to \$250,000. The note is non-interest bearing, unsecured and matured on December 15, 2014. The Company imputed interest at a rate of 2% per annum and recorded a discount in the amount of \$10,640. In connection with one of the previous advances in the amount of \$25,000, the Company issued warrants to purchase up to 250,000 shares of the Company's common stock at a price per share of \$1.00 resulting in an additional discount of \$17,709. The total discount attributable to the Note totaled \$28,349 and is being amortized to interest expense over the term of the note. During the three months ended March 31, 2015, the Company has not made any payments on the Note. As of March 31, 2015, this Note has not been repaid in accordance with the terms of the note and the Company is process of negotiating new terms on the unpaid balance.

On June 30, 2014, the Company recorded a \$100,000 note payable to a director of the Company. The note is non-interest bearing and unsecured. The Company imputed interest at a rate of 2% per annum and recorded a discount in the amount of \$110.

During the three months ended March 31, 2015, interest expense of \$28 related to amortization of the discount and interest on the unpaid notes was recorded.

NOTE 12 - STOCKHOLDERS' EQUITY

The Company is authorized to issue up to 300,000,000 shares of common stock, par value \$0.001.

During the three months ended March 31, 2015, the Company authorized the issuance of 200,000 shares of its common stock for cash proceeds totaling \$100,000. As of March 31, 2015, these shares were unissued.

During the three months ended March 31, 2015, the Company authorized the issuance of a total of 250,000 shares of common stock to one company for services valued at \$132,500. As of March 31, 2015, these shares were unissued.

During the three months ended March 31, 2015, the Company issued 100,000 shares of its common stock as payment for previously accrued legal fees. The estimated fair value of these shares totaled \$61,000. Of the total fair value, \$50,000 has been recorded as a reduction to accounts payable and \$11,000 was recognized as additional paid-in-capital and professional fees expense for the excess of the fair value.

During the three months ended March 31, 2015, the Company authorized the issuance of 5,000 shares of common stock valued at \$7,250 to the former Chief Financial Officer as compensation for services. As of March 31, 2015 these shares were unissued.

During the three months ended March 31, 2015, the Company authorized the issuance of 10,000 shares of common stock valued at \$18,400 to an employee as compensation for services. As of March 31, 2015 these shares were unissued.

NOTE 13 - WARRANTS AND OPTIONS

On November 14, 2011, the Company issued warrants to purchase shares of the Company's common stock to a related-party in conjunction with a promissory note. The warrant holder was granted the right to purchase 250,000 shares of common stock of the Company for an aggregate purchase price of \$250,000 or \$1.00 per share. The aggregate fair value of the warrants totaled \$387,500 based on the Black Scholes Merton pricing model using the following estimates: 2.75% risk free rate, 65% volatility and expected life of the warrants of 10 years.

SPINDLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 13 - WARRANTS AND OPTIONS, CONTINUED

On October 29, 2012, our stockholders approved the 2012 Stock Incentive Plan (the “Plan”) that governs equity awards to our management, employees, directors and consultants. On November 7, 2013, our stockholders approved an amendment to the Plan which increased the total authorized amount of common stock issuable under the Plan from 3,000,000 to 6,000,000 shares.

On March 11, 2015 the Board of Directors approved a private placement offering (the “Offering”) comprised of a unit (the “Unit”). Each Unit consists of one share of the Company’s common stock and one three-year warrant to purchase one share of the Company’s common stock. During the three months ended March 31, 2015, the Company sold 200,000 units under this offering.

The following is a summary of the status of all of the Company’s stock warrants and options as of March 31, 2015:

	<u>Number of Warrants and Options</u>	<u>Weighted-Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life (in years)</u>
Outstanding at December 31, 2013	2,976,000		
Granted	2,392,500	-	
Exercised	-	-	
Forfeited/Cancelled	(1,657,666)	-	
Outstanding at December 31, 2014	<u>3,710,834</u>	<u>\$ 0.534</u>	<u>7.09</u>
Exercisable at December 31, 2014	<u>2,368,334</u>	<u>\$ 0.553</u>	<u>6.33</u>
Outstanding at December 31, 2014	3,710,834		
Granted	200,000	-	
Exercised	-	-	
Forfeited/Cancelled	(703,334)	-	
Outstanding at March 31, 2015	<u>3,207,500</u>	<u>\$ 0.539</u>	<u>7.69</u>
Exercisable at March 31, 2015	<u>2,331,667</u>	<u>\$ 0.554</u>	<u>7.23</u>

NOTE 14 - BUSINESS ACQUISITION

Yowza!! Transaction

The Company completed the Yowza!! Transaction on January 3, 2014. This transaction was accounted for as a business combination. As such, the Company has allocated the purchase price in accordance with ASC Topic 850-30 as previously described in the Company’s significant accounting policies. Consideration was determined as follows:

	Fair Value of Consideration Transferred
Cash paid to Yowza!!, net of cash acquired	\$ 500,000
Fair value of Company's shares issued	3,004,860
Cash paid to extinguish debt, net of cash acquired	<u>(13,632)</u>
	<u>\$ 3,491,228</u>

SPINDLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 14 - BUSINESS ACQUISITION, CONTINUED

The fair value of our shares issued in connection with the Yowza!! Transaction was determined to be \$1.83, which was the fair value of the shares on the closing date of the acquisition.

The Company's allocation of the purchase price is as follows:

Net assets acquired:		
Cash	\$	1,368
Accounts receivable		2,928
Software development costs		200,000
Trademarks		10,000
Net liabilities assumed:		
Accounts payable		(15,000)
Goodwill		3,291,932
Total purchase price	\$	<u>3,491,228</u>

NOTE 15 - SUBSEQUENT EVENTS

The Company's management has reviewed all material events through the date of this report in accordance with ASC 855-10, and believes there are no material subsequent events to report.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This Quarterly Report on Form 10-Q (the "*Quarterly Report*") contains forward-looking statements about Spindle Inc.'s ("*SPDL*," "*we*," "*us*," or the "*Company*") business, financial condition and prospects that reflect management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our management's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, Spindle's actual results may differ materially from those indicated by the forward-looking statements. You should not place undue reliance on these forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, whether our services are accepted in the marketplace, our ability to expand our customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may be unable to predict. When used in this Quarterly Report, words such as, "*believes*," "*expects*," "*intends*," "*plans*," "*anticipates*," "*estimates*" and similar expressions are intended to identify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions.

The forward-looking statements are made as of the date of this report. We undertake no obligation to publicly update or revise any forward-looking statements included in this Quarterly Report.

Overview

We were originally incorporated in the State of Nevada on January 8, 2007 as "Coyote Hills Golf, Inc." We were previously an online retailer of golf-related apparel, equipment and supplies, however, we generated minimal revenues from that line of business. With our acquisition of Spindle Mobile, Inc. in December 2011, we became a commerce-centric company with three primary customers: 1) individual consumers (buyers); 2) individual businesses (merchants or sellers); 3) third party resellers, such as advertising and content media companies, and merchant services providers and other resellers. We generate revenue under the Spindle product line through our patented cloud-based payment processes. We believe that our secure payments process as well as coupons, offers and loyalty programs and open consumer feedback about the products consumers purchase from the merchants we serve creates trust between consumers and merchants. We provide the platform for the secure movement of funds between these parties as well as provide to brands, merchants, and institutions the conversion tools necessary to deliver a seamless frictionless finance system.

We have been growing our business through acquisitions and we expect to continue to expand in this manner.

On December 31, 2012 (the "Parallel Acquisition Closing Date"), pursuant to that certain Asset Purchase Agreement (the "Parallel Agreement") by and between us and Parallel Solutions Inc., a Nevada corporation ("Parallel"), we acquired substantially all of the assets used in connection with Parallel's business of facilitating electronic payment processing services to merchants (the "Parallel Assets"), assumed certain specified liabilities and hired seven Parallel employees in exchange for 538,570 unregistered shares of our common stock, of which 53,857 shares (the "Indemnification Escrow") and 100,000 shares (the "Deferred Consent Escrow") were deposited in escrow with our transfer agent. The Indemnification Escrow was held for a period of one year from the Parallel Acquisition Closing Date and was available to compensate us, pursuant to the indemnification obligations of Parallel under the Parallel Agreement, and for any necessary accounts receivable adjustment after the Parallel Acquisition Closing Date. The Indemnification Escrow has been terminated and the common stock has been released. The terms of the Parallel Agreement provided that the Deferred Consent Escrow would be held for a period of up to five years following the Parallel Acquisition Closing Date and would be released to Parallel or its legally permitted assign(s) incrementally as and when certain specified contract assignments or residual revenue streams were properly assigned to us or the residual revenue streams in respect of such specified contracts were bought out by the applicable third party. As of the date of this report, these conditions have been satisfied and the Deferred Consent Escrow has been terminated and the common stock has been released.

On March 20, 2013 (the “MeNetwork Closing Date”), we assumed certain liabilities and acquired substantially all the assets of MeNetwork, Inc. (“MeNetwork”) used in connection with its business of developing, marketing and licensing a mobile marketing platform for use by merchants and consumers (the “MeNetwork Assets”), pursuant to an Asset Purchase Agreement, dated March 1, 2013 (the “MeNetwork Agreement”). As consideration for the assumption of the liabilities and the acquisition of the MeNetwork Assets, we issued an aggregate of 2,750,000 shares of common stock to the stockholders of MeNetwork, of which 350,000 shares were held in escrow for a period of one year from the MeNetwork Closing Date for the purposes of satisfying any indemnification claims. The escrow has been terminated and the shares of common stock have been released. In addition, upon the earlier of 180 days following the MeNetwork Closing Date or a change in control of Spindle, we agreed to issue an additional 750,000 shares of common stock to Ashton Craig Page, the director and Chief Operating Officer of MeNetwork and a current director of Spindle. On October 7, 2013 the 750,000 shares were issued to Mr. Page pursuant to the terms and conditions of the MeNetwork Agreement. On December 12, 2014, the Company, and Ashton Craig Page, in his capacity as the representative of MeNetwork and the MeNetwork Stockholders (the “Representative”), entered into an Amendment and Waiver to Asset Purchase Agreement (the “Amendment”), pursuant to which the Company agreed to issue and the Representative agreed to accept on behalf of MeNetwork and the MeNetwork Stockholders an acceleration of the issuance of up to an aggregate of 1,000,000 Earnout Shares on or before December 31, 2014 in full satisfaction of all obligations of the Company to issue the Earnout Shares pursuant to the Purchase Agreement during the Earnout Period. These shares were issued on December 23, 2014.

On January 3, 2014 (the “Yowza Closing Date”), the Company acquired substantially all of the assets of Yowza International Inc. (renamed Y Dissolution, Inc.) (“Yowza!!”) used in connection with its business of providing retail coupons through a mobile application (the “Yowza Assets”), and assumed certain liabilities of Yowza!! in an amount equal to \$15,000 for consideration equal to (1) \$500,000 in cash paid to Yowza!! and certain creditors and holders of outstanding promissory notes issued by Yowza!! and (2) an aggregate of 1,642,000 unregistered shares of our common stock (the “Aggregate Share Consideration”), issuable to the holders of Yowza!!’s outstanding capital stock. Ten percent of the Aggregate Share Consideration was issued to certain executive management members and advisors of Yowza!! in accordance with consulting or employment agreements and subject to certain vesting provisions. In addition, an aggregate of 197,052 shares of common stock (the “Indemnification Escrow”), representing approximately 12% of the Aggregate Share Consideration, was deposited in escrow for a period of one year from the Yowza Closing Date for the purpose of satisfying Yowza’s indemnification obligations under the Asset Purchase Agreement, and for any necessary accounts receivable adjustment after the Yowza Closing Date. The Yowza!! Indemnification Escrow was released on January 12, 2015 and the escrow has been terminated.

Because our operating expenses exceed our revenues, we have relied primarily on sales of our securities and loans from related parties to fund our operations. We will continue to require substantial funds to support our operations and carry out our business plan. Our working capital requirements and the cash flow provided by future operating activities, if any, will vary greatly from quarter to quarter, depending on the volume of business during the period and payment terms with our channel partners. We may not be successful in raising additional funds as needed or if successful we may not be able to raise funds on terms that are favorable to us. We cannot guarantee that we will ever be profitable. As a result, our independent registered accounting firm has expressed doubt about our ability to continue as a going concern.

Our potential revenue streams are relatively new and have only recently begun to contribute materially to our operations. As a result, we are unable to forecast future revenue. Our management is hopeful that as our base of operations continues to grow, we will see a corresponding increase in licensing and transactional revenue.

Results of Operations

Revenues and Cost of Sales

Revenues from ongoing operations are expected to be derived from our patented conversion and networked payment processes under the Spindle product line and licensing of our intellectual property. During the three months ended March 31, 2015, the Company generated \$165,047 in revenues from its payment and transactional platform. The cost of sales, which are comprised of equipment cost of goods sold, web hosting fees, merchant and interchange fees, and commissions paid to the independent sales agents, for the three months ended March 31, 2015 were \$47,482. This compares to revenues during the three months ended March 31, 2014 of \$297,925 and cost of sales of \$96,068. Gross profit during the three months ended March 31, 2015 and 2014 was \$117,565 and \$201,857, respectively.

The period-over-period decrease in revenues and gross profit is due to management's decision to focus the majority of resources over the past few months on platform integration and development at the expense of short-term revenue generation, realizing that it was more important to bring a full-featured comprehensive platform to the market, rather than trying to sell a piecemeal solution.

The decision to embed new and innovative features in the Company's software platform, along with the increased complexities of integrating the YOWZA!! platforms, delayed the Company's sales efforts. Management also reviewed the profitability of all of the Company's customer relationships, which resulted in the strategic cancellation of contracts that did not generate positive cash flow to the Company. Management believes that the full technology platform development has now reached the stage where the Company can begin to aggressively sell its solutions to the market. Management expects to see increases in licensing and transactional revenue in future quarters by bringing the full platform to market more quickly than would have otherwise been possible, and in a much more methodical and strategic manner.

As stated previously, we only recently changed our business direction. Therefore, our potential revenue streams are relatively new and have only recently begun to contribute materially to our operations. As a result, we are unable to forecast future revenue.

EBITDA

We define Adjusted EBITDA as consolidated operating income before depreciation, amortization of intangible assets, stock-based compensation, and special charges. We use Adjusted EBITDA to evaluate the underlying performance of our business, and a summary of Adjusted EBITDA, reconciling GAAP amounts (i.e., items reported in accordance with U.S. Generally Accepted Accounting Principles) to Adjusted EBITDA amounts (i.e., items included within Adjusted EBITDA as defined directly above) for the fiscal quarters ended March 31, 2015 and 2014 follows:

	For the Three Months Ended March 31,						GAAP Change		Adjusted EBITDA Change	
	2015			2014			\$	%	\$	%
	GAAP	Adjustments	Adjusted EBITDA	GAAP	Adjustments	Adjusted EBITDA				
Revenue										
Sales income	\$ 165,047		\$ 165,047	\$ 297,925		\$ 297,925	\$ (132,878)	-45%	\$ (132,878)	-45%
Cost of sales	47,482		47,482	96,068		96,068	(48,586)	-51%	(48,586)	-51%
Gross profit	117,565		117,565	201,857		201,857	(84,292)	-42%	(84,292)	-42%
Expenses										
Depreciation and amortization	147,959	(147,959)	-	139,342	(139,342)	-	8,617	6%	-	0%
Promotional and marketing	26,505		26,505	11,968		11,968	14,537	#	14,537	#
Consulting	84,293	(64,645)	19,648	229,500	(144,375)	85,125	(145,207)	-63%	(65,477)	-77%
Salaries and wages (including equity compensation)	761,430	(486,207)	275,223	446,564	(6,636)	439,928	314,866	71%	(164,705)	-37%
Directors fees	45,000	(45,000)	-	40,000	(40,000)	-	5,000	13%	-	0%
Professional fees	150,718	(11,000)	139,718	176,490		176,490	(25,772)	-15%	(36,772)	-21%
General and administrative	48,588		48,588	183,362		183,362	(134,774)	-74%	(134,774)	-74%
Total operating expenses	1,264,493	(754,811)	509,682	1,227,226	(330,353)	896,873	37,267	7%	(387,191)	-43%
Net Operating Loss / Adjusted EBITDA	\$(1,146,928)	\$ 754,811	\$(392,117)	\$(1,025,369)	\$ 330,353	\$(695,016)	\$ (121,559)	#	\$ 302,899	44%

- represents a value greater than 100% change

We have presented Adjusted EBITDA above because we believe it conveys useful information to investors regarding our operating results. We believe it provides an additional way for investors to view our operations, when considered with both our GAAP results and the reconciliation to net income (loss). By including this information we can provide investors with a more complete understanding of our business. Specifically, we present Adjusted EBITDA as supplemental disclosure because of the following:

- We believe Adjusted EBITDA is a useful tool for investors to assess the operating performance of our business without the effect of interest, income taxes, and other non-operating expenses as well as depreciation and amortization which are non-cash expenses;
- We believe that it is useful to provide investors with a standard operating metric used by management to evaluate our operating performance; and
- We believe that the use of Adjusted EBITDA is helpful to compare our results to other companies.

Even though we believe Adjusted EBITDA is useful for investors, it does have limitations as an analytical tool. Thus, we strongly urge investors not to consider this metric in isolation or as a substitute for net income (loss) and the other consolidated statement of operations data prepared in accordance with GAAP. Some of these limitations include the fact that:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Adjusted EBITDA does not reflect income or other taxes or the cash requirements to make any tax payments; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, thereby potentially limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of performance in compliance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and providing Adjusted EBITDA only as supplemental information.

Operating Expenses

In the course of our operations, we incur operating expenses composed largely of general and administrative costs and professional fees. General and administrative expenses are essentially the cost of doing business, and encompass, without limitation, the following: research and development; licenses; taxes; general office expenses, such as postage, supplies and printing; rent; utilities; bank charges; and other miscellaneous expenditures not otherwise classified. Accounting fees include: auditing by our independent registered public accountants, bookkeeping, tax preparation fees for filing Federal and State income tax returns and other accounting-specific consulting services. Professional fees include: transfer agent fees for printing stock certificates; consulting costs for marketing and advertising; general business development; legal fees; and costs related to the preparation and submission of reports and information or proxy statements with the Commission.

For the three months ended March 31, 2015, we incurred operating expenses in the amount of \$1,264,493, as compared to \$1,227,226 for the three months ended March 31, 2014. The amounts for the three months ended March 31, 2015 are comprised of \$147,959 in depreciation and amortization expense related to our intellectual property and fixed assets; \$26,505 in promotional and marketing; \$84,293 in consulting fees; \$761,430 in salaries and wages; \$45,000 in directors fees; \$150,718 in professional fees; and \$48,588 in general and administrative expenses.

Operating expenses have remained static compared to the three months ended March 31, 2014. We have remained focused on controlling costs, while we continue to develop and grow revenues and Yowza!! We expect operating expenses to increase at a rate directly proportional to our growth.

Interest Income and Expense

During the three months ended March 31, 2015, we recognized interest expense of \$589. This compares to \$3,024 in interest expense for the three months ended March 31, 2014.

Net Losses

We have experienced net losses in all periods since our inception. Our net loss for the three months ended March 31, 2015 was \$1,147,517. Net losses are attributable to the Company's acquisition and development of Yowza!!, ongoing Payment Card Services (PCI) certifications and maintenance, extensive internal software development, and deployment of the Company's initial suite of payment products. During the three months ended March 31, 2014, we incurred a net loss of \$1,028,393.

We anticipate incurring ongoing operating losses and cannot predict when, if at all, we may expect these losses to plateau or narrow.

Liquidity and Capital Resources

Cash used in operating activities during the three months ended March 31, 2015 was \$258,194 compared to \$775,666 of cash used in operations during the comparable period ended March 31, 2014. The decrease in the use of cash for operating activities is primarily the result of the Company's management of its cash spend during the development of the Yowza!! integration and non-cash expenses recognized in net loss, such as stock based compensation. Our emergence from the development stage into full operations has resulted in an increase in salaries and wages as anticipated. We expect this use of cash to increase at a rate in direct proportion to our growth.

During the three months ended March 31, 2015, net cash used by investing activities totaled \$138,976, of which \$30,000 was utilized in the acquisition of a license agreement related to the upcoming sales efforts of the Yowza!! POS solution and \$108,976 is attributable to labor costs related to software development costs. During the comparable three month period ended March 31, 2014, net cash used in investing activities totaled \$681,955, of which \$301,071 was utilized in the acquisition of Yowza!! and \$380,884 was attributable to labor costs related to software development.

During the three months ended March 31, 2015, net cash provided by financing activities totaled \$355,000 comprised of \$100,000 which was received from investors purchasing shares of our common stock and \$255,000 which was classified as an advance to the Company. In comparison, during the three months ended March 31, 2014, financing activities provided \$1,528,158, comprised of \$1,552,500 which was received from investors purchasing shares of our common stock and \$24,342 was utilized in the repayment of debt to related parties.

As of March 31, 2015, we had \$147,637 of cash on hand, which includes \$20,000 of restricted cash. Our management believes this amount is not sufficient to maintain our operations for at least the next 12 months. We are actively pursuing opportunities to raise additional capital through sales of our equity and/or debt securities for cash. We cannot assure you that any financing can be obtained or, if obtained, that it will be on reasonable terms. As such, our principal accountants have expressed doubt about our ability to continue as a going concern because we have limited operations and have not fully commenced planned principal operations.

This report discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of the financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, we evaluate our estimates and judgments, including those related to revenue recognition, recoverability of intangible assets, and contingencies and litigation. We base our estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our consolidated financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources, primarily the valuation of intangible assets. The methods, estimates and judgments we use in applying these most critical accounting policies have a significant impact on the results we report in our consolidated financial statements.

Critical Accounting Policies

Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. Please see Note 2 to our financial statements for a more complete description of our significant accounting policies.

Intangible assets and software development costs

Management regularly reviews property, equipment, intangibles and other long-lived assets for possible impairment. This review occurs annually, or more frequently if events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. If there is indication of impairment, then management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. Management believes that the accounting estimate related to impairment of the Company's property and equipment, is a "critical accounting estimate" because: (1) it is highly susceptible to change from period to period because it requires management to estimate fair value, which is based on assumptions about cash flows and discount rates; and (2) the impact that recognizing an impairment would have on the assets reported on our balance sheet, as well as net income, could be material. Management's assumptions about cash flows and discount rates require significant judgment because actual revenues and expenses have fluctuated in the past and are expected to continue to do so.

The Company reviews the carrying value of intangible assets for impairment whenever events and circumstances indicate that the carrying value may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to the amount by which the carrying value exceeds the fair value. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition and other economic factors.

Revenue recognition

The Company recognizes revenue when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement; (2) the service has been provided to the customer; (3) the amount of fees to be paid by the customer is fixed or determinable; and (4) the collection of our fees is probable.

Sales related to long-term contracts for services (such as engineering, product development and testing) extending over several years are accounted for under the percentage-of-completion method of accounting. Sales under these contracts are recorded based on the ratio of actual costs incurred to total estimated costs expected to be incurred related to the contract under the cost-to-cost method utilizing budgeted milestones or tasks as designated per each contract. Anticipated losses on contracts are recognized in full in the period in which losses become probable and estimable.

For all other sales of products or services the Company recognizes revenues based on the terms of the customer agreement. The customer agreement takes the form of either a contract or a customer purchase order and each provides information with respect to the product or service being sold and the sales price. If the customer agreement does not have specific delivery or customer acceptance terms, revenue is recognized at the time of shipment of the product to the customer.

Stock-Based Compensation

The Company records stock based compensation in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 718 which requires the Company to recognize expense related to the fair value of its employee stock option awards. This eliminates accounting for share-based compensation transactions using the intrinsic value and requires instead that such transactions be accounted for using a fair-value-based method. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

Reclassifications

Certain reclassifications have been made to the prior years’ financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

Off-Balance Sheet Arrangements

As of March 31, 2015, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Item 3. Quantitative and Qualitative Disclosure About Market Risks.

This item is not applicable as we are a smaller reporting company.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in company reports filed or submitted under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) is recorded, processed, summarized and reported, within the periods specified in the Commission’s rules and forms. Disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

We conducted an evaluation, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), of the effectiveness of our disclosure controls and procedures as of March 31, 2015. Due to the Company’s limited resources and number of employees, there is limited segregation of duties which leads to the irregular review of various reconciliation and control procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of March 31, 2015, our disclosure controls and procedures were ineffective as a result of limited resources and personnel resulting in a lack of segregation of duties.

In order to address these concerns, the Company has taken remediation steps including hiring a new Chief Financial Officer and additional staff.

Changes in internal controls over financial reporting

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15 (f) under the Exchange Act) during the quarter ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

Our significant business risks are described in our Annual Report on Form 10-K filed with the Commission on March 30, 2015 which is incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the three months ended March 31, 2015, the Company authorized the issuance of 200,000 shares of its common stock for cash proceeds totaling \$100,000. As of March 31, 2015, these shares were unissued.

During the three months ended March 31, 2015, the Company authorized the issuance of a total of 250,000 shares of common stock to one company for services valued at \$132,500. As of March 31, 2015, these shares were unissued.

During the three months ended March 31, 2015, the Company issued 100,000 shares of its common stock as payment for previously accrued legal fees. The estimated fair value of these shares totaled \$61,000.

During the three months ended March 31, 2015, the Company authorized the issuance of 5,000 shares of common stock valued at \$7,250 to the former Chief Financial Officer as compensation for services. As of March 31, 2015 these shares were unissued.

During the three months ended March 31, 2015, the Company authorized the issuance of 10,000 shares of common stock valued at \$18,400 to an employee as compensation for services. As of March 31, 2015 these shares were unissued.

The Company relied on Section 4(a)(2) of the Securities Act of 1933 for issuing the above securities, inasmuch as the offers and sales were made solely to accredited investors and there was no form of general solicitation or general advertising relating to the offer.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Description
2.1	Asset Purchase Agreements, dated December 2, 2011, by and by and between Coyote Hills Golf, Inc., a Nevada corporation, Spindle Mobile, Inc., Mitch Powers, Stephanie Erickson, and Kamiar Khatami ⁽²⁾
2.2	Addendum No. 1 to Asset Purchase Agreement entered into on March 29, 2012 between Spindle, Inc., Spindle Mobile, Inc., Mitch Powers, Stephanie Erickson and Kamiar Khatami ⁽³⁾
2.3	Asset Purchase Agreement entered into on December 10, 2013 between Spindle, Inc. and Y Dissolution, Inc. ⁽¹⁾
2.4	Asset Purchase Agreement entered into on December 31, 2012 between Spindle, Inc. and Parallel Solutions Inc. ⁽¹⁾
2.5	Asset Purchase Agreement entered into on March 1, 2013 between Spindle, Inc. and MeNetwork, Inc. ⁽⁴⁾
2.6	First Amendment and Waiver to Asset Purchase Agreement entered into on December 12, 2014 between Spindle, Inc. and Ashton Craig Page ⁽⁵⁾
3.1	Articles of Incorporation, as amended ⁽¹⁾
3.2	By-Laws ⁽¹⁾
4.1	Specimen Common Stock Certificate of the Company ⁽⁵⁾
10.1	Form of Subscription Agreement in Private Offering*
10.2	Form of Securities Purchase Agreement in Private Offering*
10.3	Form of Warrant in Private Offering*
31.1	Rule 13a-14(a) / 15d-14(a) Certifications of the Chief Executive Officer
31.2	Rule 13a-14(a) / 15d-14(a) Certifications of the Chief Financial Officer
32.1	Certification under Section 906 of the Sarbanes-Oxley Act (18 U.S.C. Section 1350)
101.INS	XBRL Instance*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation*
101.DEF	XBRL Taxonomy Extension Definition*
101.LAB	XBRL Taxonomy Extension Label*
101.PRE	XBRL Taxonomy Extension Presentation *

*Filed Herewith

**Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company will furnish supplemental copies of any omitted schedules as exhibits to the SEC upon request.

+ Indicates a management contract or compensatory plan.

- (1) Incorporated by reference to the registrant's Form 10 Registration Statement filed with the Securities and Exchange Commission on February 25, 2014.
- (2) Incorporated by reference to the Current Report on Form 8-K filed by the registrant with the Securities and Exchange Commission on December 6, 2011.
- (3) Incorporated by reference to the Annual Report on Form 10-K for the year ended December 31, 2011 filed by the registrant with the Securities and Exchange Commission on March 30, 2012.
- (4) Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended March 30, 2013 filed by the registrant with the Securities and Exchange Commission on September 3, 2013.
- (5) Incorporated by reference to the Registration Statement on Form S-1 filed by the registrant with the Securities and Exchange Commission on February 3, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SPINDLE, INC.

(Registrant)

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ William Clark</u> William Clark	Chief Executive Officer, Principal Executive Officer	May 12, 2015
<u>/s/ Lynn Kitzmann</u> Lynn Kitzmann	Chief Financial Officer, Principal Financial Officer	May 12, 2015



SUBSCRIPTION APPLICATION

(for Accredited Investors Only)

This Subscription Application is being delivered to you in connection with your investment in SPINDLE, INC., a Nevada corporation (the "Company"). The Company is conducting a private placement offering (the "Offering") in accordance with that certain Private Placement Memorandum, dated February 23, 2015 (the "Memorandum"), of up to 6,000,000 units (each, a "Unit" and collectively, the "Units"), which shall consist of (a) one share (each, a "Share" and collectively, the "Shares") of the Company's common stock, par value \$0.001 per share (the "Common Stock"), and (b) a three-year warrant to purchase one share of Common Stock (each, a "Warrant Share" and collectively, the "Warrant Shares") with an exercise price of \$0.50 per share (each, a "Warrant" and collectively, the "Warrants" and together with the Units, Shares, and Warrant Shares, the "Securities"), at a purchase price of \$0.50 per Unit; provided, however, that the number of Units offered may be increased to 10,000,000 Units, or \$5,000,000, by authorization of the Company's board of directors, in its sole discretion, without further notice or consent to the prospective investors. All funds received in the Offering, upon fulfillment of the conditions precedent set forth herein, shall be delivered to the Company, and thereafter the Units subscribed for as further described below shall be delivered. The Company may continue to offer and sell the Units and conduct additional closings for the sale of additional Units after the initial closing until the termination of the Offering.

Name of Subscriber _____

Name of Co-Subscriber, if any _____

Address of Subscriber (1) _____

Address of Co-Subscriber (if different) (1) _____

Aggregate number of Shares subscribed to purchase (2) _____

Check enclosed (or wire transfer) in the amount of \$ _____

- (1) Permanent legal residence and domicile (other than Post Office Box) if the Subscriber is an individual, or permanent principal legal executive offices and place of business (other than Post Office Box) if the Subscriber is an entity.
- (2) The price per Share is **\$0.50**.

PERSONAL AND CONFIDENTIAL

The undersigned (the "Subscriber") hereby makes an application to purchase from the Company, the number of Shares set forth above, pursuant to a Securities Purchase Agreement substantially in the form annexed hereto as Exhibit A (the "Agreement"). The Subscriber understands and agrees that this Subscription Application to purchase the Shares is binding and irrevocable on the Subscriber's part, and that acceptance by the Company shall be in its sole discretion and otherwise in accordance with the terms set forth in this Subscription Application and the Agreement (the Agreement, together with the exhibits, schedules and attachments thereto, this Subscription Application, and the Memorandum are sometimes referred to collectively herein as the "Offering Materials").

[Subscriber Questionnaire Follows]

1. CONFIDENTIAL SUBSCRIBER INFORMATION

Name of Subscriber

If Subscriber is an Entity Provide Name Year Formed State of Formation

Street Address City State Zip

Subscriber SS# or EIN/TIN Work Phone Number Home Phone Number

Subscriber's Age Date of Birth

Name in which Shares will be held (check one below)

[] Individually [] A married man(woman) as his(her) separate property [] Community property
[] JTWR0S [] Tenants in common [] Other (Describe): _____

Aggregate Number of Shares Amount Invested (\$)

Subscriber's Signature Date

2. SUBSCRIBER'S ACCREDITED STATUS

(a) Accredited Investor (Regulation D). The Subscriber is an "Accredited Investor" as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), as follows:

(b) Individuals. (Check all that apply)

[] The Subscriber's individual net worth* or combined net worth* with his or her spouse, excluding the net value of such person's or married couple's primary residence, exceeds \$1,000,000;

[] The Subscriber's individual income,** exclusive of any income attributable to his or her spouse, was in excess of \$200,000 for the two most recent calendar years preceding the calendar year of this Subscription Application, and the Subscriber reasonably expects an income,** exclusive of any income attributable to his or her spouse, in excess of \$200,000 in the current calendar year; and/or the Subscriber's combined income** with his or her spouse was in excess of \$300,000 for the two most recent calendar years preceding the calendar year of this Subscription Application and the Subscriber and his or her spouse reasonably expect a combined income** in excess of \$300,000 in the current calendar year.

* For purposes of this Subparagraph, the term "net worth" means the excess of total value over total liabilities.

** The Subscriber may determine income by adding to his, her or its adjusted gross income any amounts attributable to tax exempt income received, losses claimed as a limited partner in any limited partnership, deductions or claims for depletion, contributions to an IRA or Keogh retirement plan, alimony payments and any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income.

(c) Entities. (Check all that apply)

Entity With Value Exceeding \$5 Million. The Subscriber is a corporation, partnership (general or limited), limited liability company, limited liability partnership or Massachusetts or similar business trust which: (1) was not formed for the specific purpose of acquiring the Shares, and (2) has total assets in excess of \$5,000,000.

Entity Comprised of Accredited Investors. The Subscriber is a corporation, partnership (general or limited), limited liability company, limited liability partnership or Massachusetts or similar business trust in which all of the Subscriber's equity owners are Accredited Investors.

Revocable Trust. The Subscriber is a revocable trust (also commonly known as a family or living trust) established to facilitate the distribution of the estate of the settlors (grantors): (1) which may be revoked or amended at any time by the settlors (grantors); (2) which passes all tax benefits of investments made by such trust through to the settlors (grantors) individually; and (3) in which all of the settlors (grantors) are Accredited Investors.

Trust Whose Assets Exceed \$5 Million. The Subscriber is a trust that has total assets in excess of \$5,000,000, and the person making the investment decision on behalf of the trust has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of an investment in the Shares.

Financial Institution as Trustee. The Subscriber is a financial institution which: (1) is a bank, savings and loan association, or other regulated financial institution; (2) is acting in its fiduciary capacity as trustee; and (3) is subscribing for the purchase of the Shares on behalf of the subscribing trust.

Employee Benefit Plan (including Keogh Plan) With Self-Directed Investments and Segregated Accounts. The Subscriber is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and: (1) such plan is self-directed and provides for segregated accounts; (2) the investment decision to purchase the Shares is being made by a plan participant who is an Accredited Investor; and (3) the investment in the Shares is being made solely on behalf of such Accredited Investor.

Employee Benefit Plan (including Keogh Plan) With Financial Institution As Trustee. The Subscriber is an employee benefit plan within the meaning of ERISA, and the decision to invest in the Shares was made by a plan fiduciary (as defined in Section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment adviser.

Employee Benefit Plan (including Keogh Plan) With Assets Exceeding \$5 Million. The Subscriber is an employee benefit plan within the meaning of ERISA and has total assets in excess of \$5,000,000.

Tax Exempt 501(c)(3) Organization. The Subscriber is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which organization was not formed for the specific purpose of acquiring the Shares, and which organization has total assets in excess of \$5,000,000.

Bank. The Subscriber is a bank as defined in Section 3(a)(2) of the Securities Act.

Savings and Loan Association. The Subscriber is a savings and loan association or other institution as defined in Section 3(a)(5)(i) of the Securities Act.

Insurance Company. The Subscriber is an insurance company as defined in Section 2(14) of the Securities Act.

Investment Company. The Subscriber is an investment company registered under the Investment Company Act of 1940.

Business Development Company. The Subscriber is a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940.

Small Business Investment Company. The Subscriber is a small business investment company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.

Private Business Development Company. The Subscriber is a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940.

Registered Broker or Dealer. The Subscriber is a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

3. REPRESENTATIONS AND WARRANTIES OF SUBSCRIBER

The Subscriber and, if the Subscriber is an entity, each of its officers, directors, partners, managers, members, trustees, beneficial owners, principals and/or agents, hereby represents and warrants to the Company, each of which is deemed to be a separate representation and warranty, as follows:

(a) **Residence.** The Subscriber's permanent legal residence and domicile, if the Subscriber is an individual, or permanent legal executive offices and principal place of business, if the Subscriber is an entity, was and is at the address designated on the cover page of this Subscription Application at both the time of the "offer" and the time of the "sale" of the Shares to the Subscriber.

(b) **Age.** The Subscriber, if a natural person, is age twenty-one (21) or over.

(c) **Investment Knowledge and Experience; Sophistication (Regulation D; Blue Sky).** The Subscriber (together with his, her and/or its Advisors (as defined in subsection (f) below)) has such knowledge and experience in business, financial and tax matters including, in particular, investing in private placements of securities in companies similar to the Company, so as to enable the Subscriber to utilize the information made available in connection with this offering to: (i) evaluate the merits and risks of an investment in the Company and to make an informed investment decision with respect thereto; and (ii) to reasonably be assumed to have the capacity to protect the Subscriber's own interests in connection with the transaction contemplated by this Subscription Application.

(d) **Minimum Net Worth (Blue Sky).** An investment in the Shares will not exceed ten percent (10%) of the Subscriber's net worth if the Subscriber is an entity, or joint net worth with his or her spouse if the Subscriber is a natural person.

(e) **Receipt and Review of Offering Materials and Company Information.** The Subscriber: (i) has received the Offering Materials; and (ii) has read each of the Offering Materials in its entirety and fully understands the matters discussed therein and the terms of thereof.

(f) Independent Review of Investment Merits; Due Diligence During the course of the transactions contemplated by this offering, and before purchasing the Shares: (i) the Subscriber had the opportunity to engage such investment professionals and advisors including, without limitation, accountants, appraisers, investment, tax and legal advisors (collectively, the “Advisors”), each of whom are independent of the Company and its advisors and agents (including its legal counsel) to: (1) review the terms and conditions of this Subscription Application, the Agreement, and the information and disclosures contained herein and therein; (2) conduct such due diligence review as the Subscriber and/or such Advisors deemed necessary or advisable, and (3) to provide such opinions as to (A) the investment merits of a proposed investment in the Shares; (B) the tax consequences of the purchase of the Shares and the subsequent disposition of all or any portion of the Shares; and (C) the effect of same upon the Subscriber’s personal financial circumstances, as the Subscriber and/or such Advisors may deem advisable; and (ii) to the extent the Subscriber availed himself, herself or itself of this opportunity, received satisfactory information and answers from such Advisors.

(g) Opportunity to Ask Questions and to Review Documents, Books and Records; Opportunity to Meet with Representatives of the Company; Full Satisfaction. Without limiting the generality of subsections (e) and (f) above, during the course of the transaction contemplated by this Subscription Application, and before purchasing the Shares, the Subscriber and/or his, her or its Advisors had the opportunity, to the extent they determined to be necessary or relevant in order to verify the accuracy of the information contained in the Offering Materials and/or to evaluate the merits of an investment in the Shares: (i) to be provided with financial and other written information about the Company (in addition to that contained in the Offering Materials) to the extent the Company has such information in its possession or could acquire it without unreasonable effort or expense; (ii) to meet with representatives of the Company and to ask questions and receive answers concerning the terms and conditions of the Offering Materials, an investment in the Shares, and the business of the Company and its finances; (iii) to review all documents, books and records of the Company, including the public filings of the Company; and (iv) to the extent the Subscriber and/or his, her or its Advisors availed themselves of this opportunity, received satisfactory information and answers.

(h) Acceptance of Investment Risks. The Subscriber understands and acknowledges that: (i) an investment in the Shares: (1) is a speculative investment with a high degree of risk of loss and the Subscriber must, therefore, be able to presently afford a complete loss of this investment; (2) the Subscriber must be able to hold the Shares indefinitely; and (3) it may not be possible for the Subscriber to liquidate the Shares in the case of emergency and/or other need and the Subscriber must, therefore, have adequate means of providing for the Subscriber’s current and future needs and personal contingencies, and have no need for liquidity in this investment; and (ii) the Subscriber has evaluated the Subscriber’s financial resources and investment position in view of the foregoing, and is able to bear the economic risk of an investment in the Shares.

(i) Shares Purchased For Subscriber’s Own Account. The Subscriber is purchasing the Shares: (i) as principal and not by any other person or entity; (ii) with the Subscriber’s own funds and not with the funds of any other person or entity; and (iii) for the account of the Subscriber, and not as a nominee or agent and not for the account or benefit of any other person or entity. The Subscriber is purchasing the Shares for investment purposes only for an indefinite period, and not with a view to the sale or distribution of any part or all thereof, by public or private sale or other disposition. No person or entity other than the Subscriber will have any interest, beneficial or otherwise, in the Shares, and the Subscriber is not obligated to transfer the Shares to any other person or entity, nor does the Subscriber have any agreement or understanding to do so. The Subscriber understands that (1) the Shares may not be sold, hypothecated, pledged, transferred, assigned or disposed of except in accordance with the substantial restrictions on transfer described herein or that otherwise apply to the Shares, and (2) the Company is relying, in material part, upon the Subscriber’s representations as set forth in the Agreement and herein for purposes of claiming the “Federal Exemptions” or “Blue Sky Exemptions” (as those are defined in subsection (l) below), and that the basis for such exemptions may not be presented if, notwithstanding the Subscriber’s representations, the Subscriber has in mind merely acquiring the Shares for resale of all or a portion of the Shares upon the occurrence or nonoccurrence of some predetermined event, and the Subscriber has no such intention.

(j) Compliance With Investment Laws. The Subscriber has complied with all applicable investment laws and regulations in force relating to the legality of an investment in the Shares by the Subscriber in any jurisdiction in which he, she or it purchases the Shares or is otherwise subject, and has obtained any consent, approval or permission required of him, her or it for the purchase of the Shares under such investment laws and regulations.

(k) Unregistered Shares. The Subscriber understands and acknowledges that: (i) the Shares have not been, and when issued will not be, registered with the Securities and Exchange Commission (the "Commission") under Section 5 of the Securities Act in reliance upon one or more exemptions afforded by the Securities Act and/or rules promulgated by the Commission pursuant thereto which may be selected by the Company in its sole discretion including, without limitation (collectively and severally, the "Federal Exemptions"): (1) Section 4(2) of the Securities Act for private offerings; and (2) Rule 506 of Regulation D promulgated under Section 4(2) of the Securities Act for private offerings; and (ii) the Shares have not been, and when issued will not be, registered or qualified with any applicable state or territorial securities regulatory agency in reliance upon one or more exemptions afforded from registration or qualification afforded under the securities laws of such state or territory (the "Blue Sky Laws") which exemptions may be selected by the Company in its sole discretion (collectively and severally, the "Blue Sky Exemptions").

(l) Resale Restrictions On Shares Pursuant to Securities Laws. The Subscriber understands and acknowledges that: (i) should the Company elect to rely upon the exemptions afforded by Rule 506 under Regulation D, the Shares will be classified, pursuant to Rule 502(d) of Regulation D of the Securities Act, as "restricted securities" acquired in a transaction under Section 4(2) of the Securities Act, which cannot be sold without registration under the Securities Act or an exemption therefrom such as, by way of example and not limitation: (1) Section 4(1) of the Securities Act; (2) the so-called "Section 4(1½) Exemption" to the Securities Act which, pursuant to Section 4(1) of the Securities Act, exempts from the provisions of the Securities Act requiring the registration of securities certain "private sales" which are effectuated in a manner similar to private placements by issuers under Section 4(2) of the Securities Act; and (3) Rule 144 and/or Rule 144A of the Securities Act; (ii) if the Subscriber is an "Affiliate" of the Company (as such term is defined below), he, she or it generally will not be able to sell, transfer, assign, or otherwise dispose of the Shares except under Rule 144; (iii) the Shares will also be subject to applicable state securities laws that may require registration or qualification of the Shares in connection with their resale, unless an exemption from such registration or qualification is available. In general, an "Affiliate" is defined as a person who is a director or officer of a company, or who directly or indirectly controls a company. As a rule of thumb, ownership of 10% or more of a company's voting stock generally will be deemed to constitute control, while ownership of less than 5% of a company's voting stock will generally not be deemed to constitute control. In general, assuming that the Company is current in filing reports with the Commission and that the Subscriber is not an Affiliate, a minimum of six (6) months must elapse following the purchase of the Shares before the Subscriber may re-sell the Shares under Rule 144 of the Securities Act. **As a result of the Company's prior status as a "shell company", stockholders who receive our restricted securities will not be able to sell them pursuant to Rule 144 without registration until at least one year has elapsed from the time that the issuer filed current comprehensive disclosure with the Commission reflecting its status as an entity that is not a shell company, including audited financial statements ("Form 10 Information") with the Commission (the "One Year Anniversary Date"); provided, that the Company is subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act and if and for so long as we have complied with our reporting requirements in the 12 months immediately prior to the One Year Anniversary Date. While the Company believes the equivalent of Form 10 Information was filed with the Commission on August 6, 2013, while the Company was a voluntary reporter, in the Amendment No. 1 to the Company's Form 10-K for the fiscal year ended December 31, 2011, the Company has not received any assurances that Exchange Act reports filed while the Company was a voluntary reporter, and not subject to the Exchange Act reporting requirements, will satisfy the conditions of Rule 144 for prior shell companies. As a result, the Company can only provide assurances that its securities will be eligible for resale pursuant to the exemption from registration under Rule 144 on April 28, 2015, without objection from the Commission; provided that, the Company is current in its reporting obligations at the time of any individual sale.**

(m) Satisfaction of Counsel of Company As to Transfers of Shares. The Subscriber understands and acknowledges that: (i) prior to any sale, transfer, assignment, pledge, hypothecation or other disposition of the Shares in accordance with the terms and conditions of the Agreement, the Subscriber must either: (1) furnish the Company with a detailed explanation of the circumstances surrounding the proposed disposition; furnish the Company with an opinion of legal counsel (which may be the Company's), in form and substance reasonably satisfactory to the Company and its legal counsel, to the effect that such disposition is exempted from the registration and prospectus delivery requirements under the Securities Act and the securities laws of the state in which the Subscriber is then resident; and legal counsel for the Company shall have concurred in such opinion and the Company shall have advised the Subscriber of such concurrence; or (2) satisfy the Company that an appropriate form of registration statement under the Securities Act with respect to the Shares proposed to be so disposed of shall then be effective, and that such disposition shall have been appropriately qualified or registered in accordance with the applicable Blue Sky Laws; and (ii) notwithstanding the foregoing, if in the opinion of counsel for the Company, the Subscriber has acted in a manner inconsistent with the representations and warranties in this Subscription Application or the Agreement, the Company may refuse to transfer the Shares until such time as counsel for the Company is of the opinion that such transfer: (1) will not require registration of the Shares under the Securities Act, and registration or qualification of the Shares under the applicable Blue Sky Laws; or (2) will otherwise comply with the Securities Act or the applicable Blue Sky Laws with respect to the sale or transfer of the Shares. The Subscriber understands and agrees that the Company may refuse to acknowledge or permit any disposition of any portion of the Shares that is not in all respects in compliance with this Subscription Application, and the Company intends to make an appropriate notation in its records to that effect.

(n) Legend on Certificates to Comply with Securities Laws. The Subscriber understands and agrees that the certificate representing the Shares of Common Stock, when issued, shall each bear such restrictive legend as the Company may deem reasonably necessary or advisable to facilitate compliance with the Securities Act and the securities laws of the state or territory of the Subscriber's residence, including, without limitation, substantially the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM REGISTRATION OR QUALIFICATION AFFORDED BY THE SECURITIES ACT AND/OR RULES PROMULGATED BY THE COMMISSION PURSUANT THERETO. THE SECURITIES REPRESENTED HEREBY HAVE ALSO NOT BEEN REGISTERED OR QUALIFIED (AS THE CASE MAY BE) UNDER THE SECURITIES LAWS OF ANY STATE OR TERRITORY OF THE UNITED STATES (THE "BLUE SKY LAWS"), IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM REGISTRATION OR QUALIFICATION (AS THE CASE MAY BE) AFFORDED UNDER SUCH SECURITIES LAWS. NEITHER THE COMMISSION NOR ANY SECURITIES REGULATORY AGENCY OF ANY STATE OR TERRITORY OF THE UNITED STATES HAS REVIEWED OR PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING CONTEMPLATED HEREBY, AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES HAVE BEEN ACQUIRED FOR THE HOLDER'S OWN ACCOUNT FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW FOR RESALE OR DISTRIBUTION.

THESE SECURITIES ARE “RESTRICTED SECURITIES” WITHIN THE MEANING OF RULE 144 PROMULGATED UNDER THE SECURITIES ACT. THESE SECURITIES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED, OR OFFERED FOR SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION, WITHIN THE UNITED STATES OR ANY OF ITS TERRITORIES OR TO A UNITED STATES PERSON, UNLESS: (i) THE SECURITIES ARE REGISTERED PURSUANT TO SECTION 5 OF THE SECURITIES ACT AND/OR REGISTERED OR QUALIFIED PURSUANT TO ANY APPLICABLE BLUE SKY LAWS; OR (ii) THE PROPOSED TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT AND THE REGISTRATION AND QUALIFICATION PROVISIONS OF ANY APPLICABLE BLUE SKY LAWS. AS A RESULT, THESE SECURITIES ARE SUITABLE ONLY FOR CERTAIN SOPHISTICATED AND QUALIFIED INVESTORS WHO CAN BEAR THE FINANCIAL RISK OF AN INVESTMENT IN THESE SECURITIES FOR AN INDEFINITE PERIOD OF TIME.

(o) Completeness and Accuracy of Information. All information which the Subscriber has heretofore furnished or furnishes herewith to the Company or its agents is complete and accurate and may be relied upon by the Company in determining the availability of an exemption from registration under federal and state securities laws in connection with the offer and sale of the Shares to the Subscriber in particular.

(p) Material Changes in Information. The Subscriber will notify and supply corrective information to the Company immediately upon the occurrence of any material change(s) in any information provided by the Subscriber to the Company occurring prior to the Closing, (as defined in the Agreement), of the purchase by the Subscriber of the Shares.

(q) Cooperation. Within five (5) days after receipt of a request from the Company, the Subscriber will provide such information and deliver such documents as may reasonably be necessary to comply with any and all laws and ordinances to which the Company is subject.

(r) Offering Representations and Communications. No person has provided any information (other than the Offering Materials) or made any verbal or written representations or warranties to the Subscriber and/or his, her or its Advisors, if any, about the Company, the Shares or this offering, other than as stated in Section 3 of the Agreement.

(s) Reliance Upon Offering Materials and Information Provided. In evaluating the suitability of an investment in the Shares, the Subscriber has not relied upon, and agrees that he, she or it may not rely upon, any representation, warranty or other information (verbal or written) other than as stated in Section 3 of the Agreement.

(t) No Awareness of Public Advertising. The Subscriber is unaware of, is in no way relying on, and did not become aware of this offering, through or as a result of any form of public advertising including, without limitation, any advertisement, article, notice, leaflet or other communication (whether published in any newspaper, magazine, or similar media or broadcast over television, internet or radio, or otherwise generally disseminated or distributed).

(u) No General Solicitation. The Subscriber did not subscribe to purchase the Shares, or become aware of this offering, through or as the result of any public or promotional seminar or meeting to which the Subscriber was invited by, or any solicitation of a subscription by, a person not previously known to the Subscriber in connection with investments in securities generally.

(v) Pre-Existing Relationship with Company. The Subscriber represents that he, she or it has a pre-existing personal or business relationship*** with the Company or any of its managers, officers or controlling persons.

*** The term “pre-existing personal or business relationship” includes any relationship consisting of personal or business contacts of a nature and duration which would enable a reasonably prudent purchaser to be aware of the character, business acumen and general business and financial circumstances of the person with whom the relationship exists.

(w) USA Patriot Act; Anti-Money Laundering. The Subscriber should check the Office of Foreign Assets Control (“OFAC”) website at <<http://www.treas.gov/ofac>> before making the following representations:

The Subscriber represents that the amounts invested by it in the Company in the Offering were not and are not directly or indirectly derived from activities that contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at <<http://www.treas.gov/ofac>>. In addition, the programs administered by OFAC (the “OFAC Programs”) prohibit dealing with individuals[1] or entities in certain countries regardless of whether such individuals or entities appear on the OFAC lists;

To the best of the Subscriber’s knowledge, none of: (1) the Subscriber; (2) any person controlling or controlled by the Subscriber; (3) if the Subscriber is a privately-held entity, any person having a beneficial interest in the Subscriber; or (4) any person for whom the Subscriber is acting as agent or nominee in connection with this investment is a country, territory, individual or entity named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Company may not accept any amounts from a prospective investor if such prospective investor cannot make the representation set forth in the preceding paragraph. The Subscriber agrees to promptly notify the Company should the Subscriber become aware of any change in the information set forth in these representations. The Subscriber understands and acknowledges that, by law, the Company may be obligated to “freeze the account” of the Subscriber, either by prohibiting additional subscriptions from the Subscriber, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations. The Subscriber further acknowledges that the Company may, by written notice to the Subscriber, suspend the redemption rights, if any, of the Subscriber if the Company reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the Company or any of the Company’s other service providers. These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs;

To the best of the Subscriber’s knowledge, none of: (1) the Subscriber; (2) any person controlling or controlled by the Subscriber; (3) if the Subscriber is a privately-held entity, any person having a beneficial interest in the Subscriber; or (4) any person for whom the Subscriber is acting as agent or nominee in connection with this investment is a senior foreign political figure[2], or any immediate family[3] member or close associate[4] of a senior foreign political figure, as such terms are defined in the footnote below; and

[1] These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

[2] A “senior foreign political figure” is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a “senior foreign political figure” includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

[3] “Immediate family” of a senior foreign political figure typically includes the figure’s parents, siblings, spouse, children and in-laws.

[4] A “close associate” of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.



If the Subscriber is affiliated with a non-U.S. banking institution (a "Foreign Bank"), or if the Subscriber receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Subscriber represents and warrants to the Company that: (1) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

The Subscriber has executed and delivered this Subscription Application to Spindle, Inc. as of the date set forth below.

SUBSCRIBER:

By: _____
(Signature)

Name: _____

Title: _____

Date: _____



EXHIBIT A

FORM OF SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this “**Agreement**”) is made as of the later date set forth on the signature pages hereto, by and among Spindle, Inc., a Nevada corporation (the “**Company**”), and the purchaser whose name and address are set forth on the signature page annexed hereto (the “**Purchaser**”). The foregoing parties are sometimes referred to hereinafter individually as a “**Party**” or collectively as the “**Parties**.”

RECITALS

WHEREAS, this Agreement is being delivered to the Purchaser in accordance with and subject to the terms and conditions of the Subscription Application of the Purchaser of even date herewith (each a “**Subscription Application**”) and the Private Placement Memorandum of the Company, dated February 23, 2015, as amended or supplemented from time to time, including all attachments and annexes thereto (the “**Memorandum**”), and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), and Rule 506 promulgated thereunder, the Company desires to sell to the Purchaser and the Purchaser desires to acquire from the Company that number of units (each, a “**Unit**” and collectively, the “**Units**”), which shall consist of (a) one share (each, a “**Share**” and collectively, the “**Shares**”) of the Company’s common stock, par value \$0.001 per share (the “**Common Stock**”), and (b) a three-year warrant to purchase one share of Common Stock (each, a “**Warrant Share**” and collectively, the “**Warrant Shares**”) at an exercise price of \$0.50 per share in the form attached hereto as Exhibit A (each, a “**Warrant**”, and collectively, the “**Warrants**”), at a price of \$0.50 per Unit, subject to the terms and conditions of this Agreement and the other documents or instruments contemplated hereby.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby covenant and agree as follows:

AGREEMENT

Section 1. Sale and Issuance of Units.

1.1 Subject to the terms and conditions of this Agreement, the Subscription Application and Memorandum, the Company’s board of directors has authorized the sale and issuance of up to 6,000,000 Units (the “**Offering**”). At the Closing (as defined below), the Company shall sell and issue the Units to the Purchaser, and the Purchaser shall purchase the Units from the Company. The Company intends to enter into this same form of purchase agreement with certain other purchasers (collectively, the “**Other Purchasers**”, and collectively with the Purchaser, the “**Purchasers**”) and expects to complete sales of Units to them. The maximum number of Units that the Company may sell to the Purchasers is 6,000,000, which may be increased to 10,000,000 Units upon approval by the Company’s board of directors in its sole discretion without further notice or consent to the Purchasers. The Purchaser’s obligations hereunder are expressly not subject to or conditioned on the purchase of Units by any or all of such Other Purchasers.

1.2 The aggregate purchase price for the Units to be purchased by the Purchaser (the “ **Purchase Price**”) shall be the amount set forth on the Purchaser’s signature page hereto.

Section 2. The Closing.

2.1 The closing of the sale and issuance of the Units to the Purchaser (the “ **Closing**”) shall occur on the date when the Purchaser delivers to the (i) the Company, (a) this Agreement, and (b) the Purchaser's Subscription Application (collectively, the "**Subscription Documents**") executed by Purchaser; and (ii) the Company, a wire transfer of funds or check in the amount of the Purchase Price, which shall be made contemporaneously with the execution and delivery of the Subscription Documents in accordance with the following instructions:

WIRE TRANSFER
WELLS FARGO, N.A
PHOENIX BUSINESS BANKING PO BOX 6995 PORTLAND, OR 97228
PHONE NUMBER: 800-225-5935
ABA NUMBER: 121000248
ACCT. NUMBER: 7272050399
SWIFT CODE: WFBIUS6S
BENEFICIARY: SPINDLE, INC.

CHECK
PAYABLE TO SPINDLE, INC.
8700 E VISTA BONITA DRIVE, SUITE 260
SCOTTSDALE, AZ 85255

2.2 Within five (5) business days of the Closing, the Company shall (a) instruct its transfer agent to issue and deliver to the Purchaser a certificate representing the Shares and (b) issue a Warrant to purchase such number of Warrant Shares as shall be equal to the number of Shares underlying the Units purchased, against receipt by the Company of a certified bank check or wire transfer in an aggregate amount equal to the Purchase Price for the number of Units set forth on the Purchaser’s signature page hereto. The Subscription Documents, together with the Warrants shall be collectively referred to as the “**Transaction Documents**”.

Section 3. Representations and Warranties of the Company.

The Company hereby represents and warrants to the Purchaser as follows:

3.1 Organization.

The Company is duly organized, validly existing and in good standing under the laws of the State of Nevada and is qualified to conduct its business as a foreign corporation in each jurisdiction where the failure to be so qualified would have a material adverse effect on the Company.

3.2 Authorization of Transaction Documents, Etc .

The execution, delivery, and performance by the Company of its obligations under the Transaction Documents has been duly authorized by all requisite corporate action on the part of the Company; and the Transaction Documents have been duly executed and delivered by the Company. Each of the Transaction Documents, when executed and delivered by the Company, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

3.3 Issuance of Units.

The Units, the Shares, the Warrants, and the Warrant Shares, are duly authorized and, when paid for and issued in accordance with the Transaction Documents, will be duly and validly issued, fully paid, and nonassessable, free and clear of all liens.

Section 4. Representations and Warranties of the Purchaser.

The Purchaser hereby represents and warrants to the Company as follows:

4.1 Authorization of the Documents.

The Purchaser has all requisite power and authority (corporate or otherwise) to execute, deliver, and perform its obligations under the Transaction Documents, and the execution, delivery, and performance by the Purchaser of its obligations under the Transaction Documents has been duly authorized by all requisite action on the part of the Purchaser and each such Transaction Document, when executed and delivered by the Purchaser, shall constitute the valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

4.2 Investment Representations.

All of the representations, warranties, and information of the Purchaser as set forth in the Purchaser's Subscription Application are incorporated by reference herein, shall be deemed to be a part hereof, and shall be true and correct at the Closing with the same force and effect as if made by the Purchaser as of the date thereof.

4.3 Access to Company Information.

The Purchaser acknowledges that it has been afforded access and the opportunity to obtain all financial and other information concerning the Company that such Purchaser desires (including the opportunity to meet with the Company's executive officers, either in person or telephonically). The Purchaser has reviewed copies of all reports filed by the Company (the "**Filings**") with the Securities and Exchange Commission (the "**Commission**") under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), since December 31, 2011, all of which are available for review at www.sec.gov. The Purchaser further acknowledges that it is familiar with the contents of the Filings and that there is no further information about the Company that the Purchaser desires in determining whether to acquire the Units in the Offering.

4.4 Risk Factors

The Purchaser acknowledges that an investment in the Units is extremely speculative and that there is a substantial risk that the investor may lose the Purchaser's entire investment in the Units. The Purchaser acknowledges, understands and confirms that the Purchaser has reviewed the risk factors disclosed in the Memorandum.

Section 5. Brokers and Finders.

Unless the Company shall engage a placement agent in connection with the Offering or shall otherwise determine in its sole discretion, the Company shall not be obligated to pay any commission, brokerage fee, or finder's fee based on any alleged agreement or understanding between the Purchaser and a third person in respect of the transactions contemplated hereby. The Purchaser acknowledges and agrees that the Company may pay up to 7% of the Purchase Price and issue warrants to purchase shares of the Common Stock in an amount up to 7% of the Shares, as commissions, to one or more FINRA registered broker-dealers pursuant to an agreement or agreements between the Company and such broker-dealer(s). The Purchaser hereby agrees to indemnify the Company against any claim by any third person for any commission, brokerage fee, finder's fee, or other payment with respect to this Agreement or the transactions contemplated hereby based on any alleged agreement or understanding between the Purchaser and any such third person, whether express or implied from the actions of the Purchaser or anyone acting or purporting to act on behalf of the Purchaser.

Section 6. Indemnification by the Purchaser.

The Purchaser hereby agrees to indemnify and defend (with counsel acceptable to the Company) the Company and its officers, directors, employees, and agents and hold them harmless from and against any and all liability, loss, damage, cost, or expense, including costs and reasonable attorneys' fees, incurred on account of or arising from:

(a) any breach of or inaccuracy in any of the Purchaser's representations, warranties, or agreements made herein, in any of the Transaction Documents, or in any document or instrument contemplated hereby or thereby; and

(b) any action, suit, or proceeding based on a claim that the Purchaser's representations, warranties or agreements made herein, in any of the Transaction Documents, or in any document or instrument contemplated hereby or thereby, were inaccurate or misleading, or otherwise cause for obtaining damages or redress from the Company or any current or former officer, director, employee, or agent of the Company under the Securities Act.

Section 7. Registration Rights.

The Company shall use commercially reasonable efforts to register the Shares and the Warrant Shares issuable upon exercise of the Warrants (the "**Registrable Securities**") with the Commission, on a "resale" registration statement (the "**Registration Statement**") providing for the resale of all of the Registrable Securities on or prior to the 90th day following the expiration of the Offering (the "**Filing Date**"), for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act; provided, however, that all rights of registration pursuant to this Section 7 shall expire with respect to any Registrable Securities that have been sold, transferred or otherwise disposed of by the Purchaser or that may be sold pursuant to Rule 144 under the Securities Act. The Company shall use its commercially reasonable efforts to cause the Registration Statement to be declared effective under the Securities Act as promptly as possible after the filing thereof and to keep such Registration Statement continuously effective under the Securities Act until such date as is the earlier of (x) the date when all Registrable Securities covered by such Registration Statement have been sold or (y) the date on which the Registrable Securities may be sold pursuant to Rule 144 under the Securities Act. If the Company shall determine in its sole discretion, as a result of a Rule 415 comment or otherwise to limit the number of shares to be registered, the Company may limit the number of Registrable Securities to be included in such registration on pro rata basis among all holders without further notice or consent from the holder. Notwithstanding the foregoing, if, at any time prior to the effective date of the Registration Statement filed in connection with this Section 7, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to each record holder of Registrable Securities and, following such notice, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration, and (ii) in the case of determination to delay registering, shall be permitted to delay registering any Registrable Securities for such period as the Company shall determine to be necessary or advisable.

Section 8. Successors and Assigns.

This Agreement shall bind and inure to the benefit of the Company, the Purchaser, and their respective successors and assigns.

Section 9. Entire Agreement.

This Agreement and the other writings and agreements referred to in this Agreement or delivered pursuant to this Agreement contain the entire understanding of the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, whether written or verbal, among the Parties with respect thereto.

Section 10. Notices.

All notices, demands and requests of any kind to be delivered to any Party in connection with this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered or if sent by internationally-recognized overnight courier or by registered or certified mail, return receipt requested and postage prepaid, addressed as follows:

if to the Company, to:

Spindle, Inc.
8700 East Vista Bonita, Suite 260
Scottsdale, AZ 85255
Attention: William Clark, Chief Executive Officer and President

with a copy to:

Richardson & Patel LLP
The Chrysler Building
405 Lexington Avenue, 49th Floor
New York, NY 10174
Attention: Melanie Figueroa

if to the Purchaser, to:

at the address of the Purchaser set forth on the Purchaser's signature page hereto;

or to such other address as the Party to whom notice is to be given may have furnished to the other Parties to this Agreement in writing in accordance with the provisions of this Section. Any such notice or communication shall be deemed to have been received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of internationally-recognized overnight courier, on the next business day after the date when sent and (iii) in the case of mailing, on the third business day following that on which the piece of mail containing such communication is posted.

Section 11. Amendments.

This Agreement may not be modified or amended, nor may any provision of this Agreement be waived, except as evidenced by a written agreement duly executed by the Company and holders of at least 51% of the Units purchased by the Purchaser pursuant to the Transaction Documents and all Other Purchasers combined, and any such agreement shall be binding on the Purchaser and all other Purchasers.

Section 12. Governing Law; Waiver of Jury Trial.

All questions concerning the construction, interpretation, and validity of this Agreement shall be governed by and construed and enforced in accordance with the domestic laws of the State of Nevada without giving effect to any choice or conflict of law provision or rule (whether in the State of Nevada or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Nevada. In furtherance of the foregoing, the internal law of the State of Nevada will control the interpretation and construction of this Agreement, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily or necessarily apply.

Section 13. Submission to Jurisdiction.

Any legal action or proceeding with respect to this Agreement may be brought in the courts of the State of New York and the United States of America located in the Borough of Manhattan, City of New York, and, by execution and delivery of this Agreement, the Company hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Purchaser hereby irrevocably waives, in connection with any such action or proceeding, any objection, including, without limitation, any objection to the venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. The Purchaser hereby irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to it at its address as set forth herein.

Section 14. Severability.

It is the desire and intent of the Parties that the provisions of this Agreement be enforced to the fullest extent permissible under the law and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of this Agreement would be held in any jurisdiction to be invalid, prohibited, or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited, or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 15. Independence of Agreements, Covenants, Representations and Warranties.

All agreements and covenants hereunder shall be given independent effect so that if a certain action or condition constitutes a default under a certain agreement or covenant, the fact that such action or condition is permitted by another agreement or covenant shall not affect the occurrence of such default, unless expressly permitted under an exception to such covenant. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of or a breach of a representation and warranty hereunder. The exhibits and any schedules annexed hereto are hereby made part of this Agreement in all respects.

Section 16. Counterparts.

This Agreement may be executed in any number of counterparts, and each such counterpart of this Agreement shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Facsimile or PDF counterpart signatures to this Agreement shall be acceptable and binding.

Section 17. Headings.

The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 18. Expenses.

Each Party shall pay its own fees and expenses incurred in connection with the negotiation, execution, delivery and performance of this Agreement, the Transaction Documents and any document or instrument contemplated hereby or thereby.

Section 19. Preparation of Agreement.

The Company prepared this Agreement and the Transaction Documents solely on its behalf. Each Party to this Agreement acknowledges that: (i) the Party had the advice of, or sufficient opportunity to obtain the advice of, legal counsel separate and independent of legal counsel for any other Party hereto; (ii) the terms of the transactions contemplated by this Agreement are fair and reasonable to such Party; and (iii) such Party has voluntarily entered into the transactions contemplated by this Agreement without duress or coercion. Each Party further acknowledges that such Party was not represented by the legal counsel of any other Party hereto in connection with the transactions contemplated by this Agreement, nor was he or it under any belief or understanding that such legal counsel was representing his or its interests. Each Party agrees that no conflict, omission, or ambiguity in this Agreement, or the interpretation thereof, shall be presumed, implied, or otherwise construed against any other Party to this Agreement on the basis that such Party was responsible for drafting this Agreement.

Section 20. Lock-Up/Leak-Out Agreement; Market Stand-Off Agreement.

(a) Lock-Up Agreement. For the 120 days following the earlier of (i) the effective date of the Registration Statement, or (ii) the date on which the Registrable Securities may be sold pursuant to Rule 144 under the Securities Act, the Purchaser may not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, or (ii) enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Purchaser's Registrable Securities (the "**Lock-Up Period**"). Upon the expiration of the Lock-Up Period, for a period of 180 days thereafter (the "**Leak-Out Period**"), each Purchaser shall be permitted to sell up to one percent (1%) of such Purchaser's Registrable Securities, calculated as of the time of sale, during each month thereafter. Upon the expiration of the Leak-Out Period, each Purchaser shall be entitled to sell or otherwise dispose of such Purchaser's Registrable Securities in any manner as such Purchaser sees fit. All Registrable Securities sold during the Leak-Out Period shall be sold on a non-cumulative basis, meaning that if a Purchaser did not sell all of the Registrable Securities the Purchaser was entitled to sell during a particular month in the Leak-Out Period, the Purchaser may not cumulate the unsold portion of that month's allotment to the next month's allotment. The Purchaser agrees that all sales of the Company's Common Stock will be made at no less than the best "asked" prices, and no sales will be made at the "bid" prices for the Common Stock.

(b) Market-Stand Off. The Purchaser agrees that, if the Purchaser is requested by the Company or an underwriter (an "**Underwriter**") of shares of the Company's Common Stock or other securities of the Company, the Purchaser will not directly or indirectly sell, assign or otherwise transfer or dispose of any Common Stock, warrants or other securities of the Company held by it or under its control for a specified period of time (not to exceed 180 days) following the effective date of a registration statement filed by the Company under the Securities Act in connection with any offering of the Company's securities. Although the provisions of Section 20 of this Agreement shall be binding upon the Purchaser and the Purchaser's successors and assigns without the execution of any further agreements or documents memorializing this obligation, if the Company or an Underwriter so requests, the Purchaser will execute such further agreements and documents as are requested to further memorialize this obligation. Any such further agreements or documents shall be in a form satisfactory to the Company and the Underwriter, if applicable. The Company may impose stop-transfer instructions with respect to the Shares, Warrant Shares, or other securities owned by such Purchaser, subject to the foregoing restriction until the end of the specified period.

Section 21. Use of Proceeds.

The net proceeds of this Offering will be used by the Company for trade payables, working capital, research and development, copyright and trademark applications, intellectual property pursuits, legal expenses related to this offering and the advancement of company initiatives for advertising and marketing and related uses.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the undersigned has duly executed this Securities Purchase Agreement as of the later date set forth on the signature pages below.

COMPANY:

Date: _____, 2015

SPINDLE, INC.

By: _____

Name: William Clark

Title: Chief Executive Officer

[Purchaser Signature Page Follows]

**PURCHASER SIGNATURE PAGE TO SPINDLE, INC.
SECURITIES PURCHASE AGREEMENT**

PURCHASER:

Name of Purchaser (Individual or
Institution)

Name of Individual representing
Purchaser (if an Institution)

Title of Individual representing
Purchaser (if an Institution)

Signature of Individual Purchaser or
Individual representing Purchaser

Address:

Telephone:

Facsimile:

Aggregate number of Units

Aggregate Purchase Price

Date

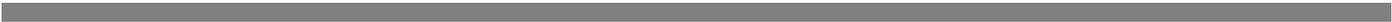


EXHIBIT A
Form of Warrant

EXHIBIT A

THESE SECURITIES AND THE UNDERLYING SHARES OF COMMON STOCK HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT.

COMMON STOCK PURCHASE WARRANT

To Purchase ____ Shares of Common Stock of

SPINDLE, INC.

THIS COMMON STOCK PURCHASE WARRANT CERTIFIES that, for value received, Richard G. Stewart (the "Holder"), is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to the close of business on the third anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from Spindle, Inc., a Nevada corporation (the "Company"), up to ____ shares (the "Warrant Shares") of the Company's common stock, par value \$0.001 per share (the "Common Stock"). The purchase price of one share of Common Stock (the "Exercise Price") under this Warrant shall be **\$0.50**, subject to adjustment hereunder. The Exercise Price and the number of Warrant Shares for which the Warrant is exercisable shall be subject to adjustment as provided herein.

1. Title to Warrant. Prior to the Termination Date and subject to compliance with applicable laws and Section 7 of this Warrant, this Warrant and all rights hereunder are transferable, in whole or in part, at the office or agency of the Company by the Holder in person or by duly authorized attorney, upon surrender of this Warrant together with the Assignment Form annexed hereto properly endorsed. The transferee shall sign an investment letter in form and substance reasonably satisfactory to the Company.

2. Authorization of Shares. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

3. Exercise of Warrant.

(a) Except as provided in Section 4 herein, exercise of the purchase rights represented by this Warrant may be made at any time or times on or after the Initial Exercise Date and on or before the Termination Date by the surrender of this Warrant and the Notice of Exercise Form annexed hereto duly executed, at the office of the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of such Holder appearing on the books of the Company). Upon payment of the Exercise Price of the shares thereby purchased by wire transfer or cashier's check drawn on a United States bank, the Holder shall be entitled to receive a certificate for the number of Warrant Shares so purchased. Certificates for Warrant Shares purchased hereunder shall be delivered to the Holder within five (5) business days after the date on which this Warrant shall have been exercised as aforesaid. This Warrant shall be deemed to have been exercised and such certificate or certificates shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the date the Warrant has been exercised by payment to the Company of the Exercise Price and all taxes required to be paid by the Holder, if any, pursuant to Section 5 prior to the issuance of such shares, have been paid. If the Company fails to deliver to the Holder a certificate or certificates representing the Warrant Shares pursuant to this Section 3(a) by the fifth business day after the date of exercise, then the Holder will have the right to rescind such exercise by written notice to the Company.

(b) If this Warrant shall have been exercised in part, the Company shall, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to Holder a new Warrant evidencing the rights of Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

4. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which Holder would otherwise be entitled to purchase upon such exercise, the Company shall pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price.

5. Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event certificates for Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder; and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto.

6. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

7. Transfer, Division and Combination.

(a) Subject to compliance with any applicable securities laws and the conditions set forth in Sections 1 and 7(e) hereof, this Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. A Warrant, if properly assigned, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

(b) This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 7(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice.

(c) The Company shall prepare, issue and deliver at its own expense (other than transfer taxes) the new Warrant or Warrants under this Section 7.

(d) The Company agrees to maintain, at its aforesaid office, books for the registration and the registration of transfer of the Warrants.

(e) If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws, the Company may require, as a condition of allowing such transfer, (i) that the Holder or transferee of this Warrant, as the case may be, furnish to the Company a written opinion of counsel reasonably acceptable to the Company (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that such transfer may be made without registration under the Securities Act and under applicable state securities or blue sky laws and (ii) that the holder or transferee execute and deliver to the Company an investment letter in form and substance acceptable to the Company.

8. No Rights as Shareholder until Exercise. This Warrant does not entitle the Holder to any voting rights or other rights as a shareholder of the Company prior to the exercise hereof. Upon the surrender of this Warrant and the payment of the aggregate Exercise Price, the Warrant Shares so purchased shall be and be deemed to be issued to such Holder as the record owner of such shares as of the close of business on the later of the date of such surrender or payment.

9. Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

10. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday, Sunday or a legal holiday, then such action may be taken or such right may be exercised on the next succeeding day not a Saturday, Sunday or legal holiday.

11. Adjustments of Exercise Price and Number of Warrant Shares. The number and kind of securities purchasable upon the exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time upon the happening of any of the following. In case the Company shall (i) pay a dividend in shares of Common Stock or make a distribution in shares of Common Stock to holders of its outstanding Common Stock, (ii) subdivide its outstanding shares of Common Stock into a greater number of shares, (iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock, or (iv) issue any shares of its capital stock in a reclassification of the Common Stock, then in each such case the number of Warrant Shares purchasable upon exercise of this Warrant immediately prior thereto shall be adjusted so that the Holder shall be entitled to receive the kind and number of Warrant Shares or other securities of the Company which it would have owned or have been entitled to receive had such Warrant been exercised in advance thereof. Upon each such adjustment of the kind and number of Warrant Shares or other securities of the Company which are purchasable hereunder, the Holder shall thereafter be entitled to purchase the number of Warrant Shares or other securities resulting from such adjustment at an Exercise Price per Warrant Share or other security obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of Warrant Shares purchasable pursuant hereto immediately prior to such adjustment and dividing by the number of Warrant Shares or other securities of the Company resulting from such adjustment. An adjustment made pursuant to this paragraph shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

12. Reorganization, Reclassification, Merger, Consolidation or Disposition of Assets . In case the Company shall reorganize its capital, reclassify its capital stock, consolidate or merge with or into another corporation (where the Company is not the surviving corporation or where there is a change in or distribution with respect to the Common Stock of the Company), or sell, transfer or otherwise dispose of all or substantially all its property, assets or business to another corporation and, pursuant to the terms of such reorganization, reclassification, merger, consolidation or disposition of assets, shares of common stock of the successor or acquiring corporation, or any cash, shares of stock or other securities or property of any nature whatsoever (including warrants or other subscription or purchase rights) in addition to or in lieu of common stock of the successor or acquiring corporation (“Other Property”), are to be received by or distributed to the holders of Common Stock of the Company, then the Holder shall have the right thereafter to receive, at the option of the Holder, upon exercise of this Warrant, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and Other Property receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a Holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. In case of any such reorganization, reclassification, merger, consolidation or disposition of assets, the successor or acquiring corporation (if other than the Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant to be performed and observed by the Company and all the obligations and liabilities hereunder, subject to such modifications as may be deemed appropriate (as determined in good faith by resolution of the Board of Directors of the Company) in order to provide for adjustments of Warrant Shares for which this Warrant is exercisable which shall be as nearly equivalent as practicable to the adjustments provided for in this Section 12. For purposes of this Section 12, “common stock of the successor or acquiring corporation” shall include stock of such corporation of any class which is not preferred as to dividends or assets over any other class of stock of such corporation and which is not subject to redemption and shall also include any evidences of indebtedness, shares of stock or other securities which are convertible into or exchangeable for any such stock, either immediately or upon the arrival of a specified date or the happening of a specified event and any warrants or other rights to subscribe for or purchase any such stock. The foregoing provisions of this Section 12 shall similarly apply to successive reorganizations, reclassifications, mergers, consolidations or disposition of assets.

13. Voluntary Adjustment by the Company . The Company may at any time during the term of this Warrant reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the Board of Directors of the Company.

14. Notice of Adjustment. Whenever the number of Warrant Shares or number or kind of securities or other property purchasable upon the exercise of this Warrant or the Exercise Price is adjusted, as herein provided, the Company shall give notice thereof to the Holder, which notice shall state the number of Warrant Shares (and other securities or property) purchasable upon the exercise of this Warrant and the Exercise Price of such Warrant Shares (and other securities or property) after such adjustment, setting forth a brief statement of the facts requiring such adjustment and setting forth the computation by which such adjustment was made.

15. Notice of Corporate Action. If at any time:

(a) the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or other distribution, or any right to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property, or to receive any other right, or

(b) there shall be any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any consolidation or merger of the Company with, or any sale, transfer or other disposition of all or substantially all the property, assets or business of the Company to, another corporation or,

(c) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company;

then, in any one or more of such cases (but not in such cases if the rights of the Holder or holders of Common Stock will not be materially affected thereby, as for example in the case of a merger to effect a change of domicile), the Company shall give to Holder (i) at least 5 business days' prior notice of the date on which a record date shall be selected for such dividend, distribution or right or for determining rights to vote in respect of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, liquidation or winding up, and (ii) in the case of any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up, at least 5 business days' prior notice of the date when the same shall take place. Such notice in accordance with the foregoing clause also shall specify (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, the date on which the holders of Common Stock shall be entitled to any such dividend, distribution or right, and the amount and character thereof, and (ii) the date on which any such reorganization, reclassification, merger, consolidation, sale, transfer, disposition, dissolution, liquidation or winding up is to take place and the time, if any such time is to be fixed, as of which the holders of Common Stock shall be entitled to exchange their Warrant Shares for securities or other property deliverable upon such disposition, dissolution, liquidation or winding up. Each such written notice shall be sufficiently given if addressed to Holder at the last address of Holder appearing on the books of the Company and delivered in accordance with Section 18(d).

16. Authorized Shares. The Company covenants that during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the trading market upon which the Common Stock may be listed.

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (a) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (b) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, and (c) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

17. Miscellaneous.

(a) Jurisdiction. This Warrant shall constitute a contract under the laws of Nevada, without regard to its conflicts of laws principles or rules.

(b) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

(c) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice Holder's rights, powers or remedies, notwithstanding all rights hereunder terminate on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(d) Notices. Any notice, request or other document required or permitted to be given or delivered pursuant to this Warrant shall be deemed to have been sufficiently given and received for all purposes when delivered by hand or by telecopy that has been confirmed as received by 5:00 P.M. on a business day, one (1) business day after being sent by nationally recognized overnight courier or received by telecopy after 5:00 P.M. on any day, or five (5) business days after being sent by certified or registered mail, postage and charges prepaid, return receipt requested, to the following addresses:

If to the Company: Spindle, Inc.
8700 East Vista Bonita, Suite 260
Scottsdale, AZ 85255
Attention: William Clark, Chief Executive Officer and President

If to the Holder: At the Holder's address in the Company's Warrant register.

(e) Limitation of Liability. No provision hereof, in the absence of any affirmative action by Holder to exercise this Warrant or purchase Warrant Shares, and no enumeration herein of the rights or privileges of Holder, shall give rise to any liability of Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(f) Remedies. Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(g) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of all Holders from time to time of this Warrant and shall be enforceable by any such Holder or holder of Warrant Shares.

(h) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Holder and the Company.

(i) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(j) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized.

Dated: _____

SPINDLE, INC.

By: _____

Name: William Clark

Title: Chief Executive Officer and President

NOTICE OF EXERCISE

TO: SPINDLE, INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of Spindle, Inc. pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

in lawful money of the United States; or

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

(4) Accredited Investor. The undersigned is an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____



ASSIGNMENT FORM

(To assign the foregoing warrant, execute this form and supply required information. Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

_____ whose address is

_____.

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Certification of Principal Executive Officer

**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Securities and Exchange Commission Release 34-46427**

I, William Clark, certify that:

1. I have reviewed this report on Form 10-Q of Spindle, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2015

/s/ William Clark

William Clark

Chief Executive Officer

Principal Executive Officer

Certification of Principal Financial Officer

**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Securities and Exchange Commission Release 34-46427**

I, Lynn Kitzmann, certify that:

1. I have reviewed this report on Form 10-Q of Spindle, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - c. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - d. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2015

/s/ Lynn Kitzmann

Lynn Kitzmann

Chief Financial Officer

Principal Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the report of Spindle, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William Clark, acting in the capacity of as the Principal Executive Officer of the Company, and I, Lynn Kitzmann, acting in the capacity as the Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ William Clark
William Clark
Chief Executive Officer
Principal Executive Officer

/s/ Lynn Kitzmann
Lynn Kitzmann
Chief Financial Officer
Principal Financial Officer

May 12, 2015